

Perception Analysis Final Report

**A record of the first phase of consultation
with businesses in the pilot Paddington BID**

■ December 2003 to March 2004 ■

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1. Purpose and Methodology

The perception analysis was commissioned by Paddington Waterside Partnership to understand the views and concerns of businesses within the pilot Paddington Business Improvement District (BID) area. This has been achieved primarily through one-to-one interviews with business owners and managers. These interviews were structured, using a questionnaire, to ensure consistency.

Interviews were conducted between 4th December 2003 and 5th March 2004. Interviews started with the least engaged members of the business community, and were conducted with 178 businesses, representing 181 hereditaments out of a total of 421.

The interview questionnaires were typed up and a copy returned to interviewees to maintain transparency and ensure they were happy with what had been recorded. All the quantitative and qualitative information contained in the questionnaires was compiled into a Survey Data Report, which remains confidential because interviewees were assured that their comments would not be identifiable on an individual basis. From this a detailed Perception Analysis Report has been compiled.

This approach was supplemented with consultation meetings with:

- Hoteliers (2nd February 2004)
- Paddington Business Circle Members (10th February 2004)
- Residential Estate Agents (23rd February 2004)

At these meetings there was a presentation on the proposed BID, a chaired discussion of issues arising and attendees completed the interview questionnaire. Attendance at these meetings was mixed, demonstrating that one-to-one interviews were the best method of engaging the business community.

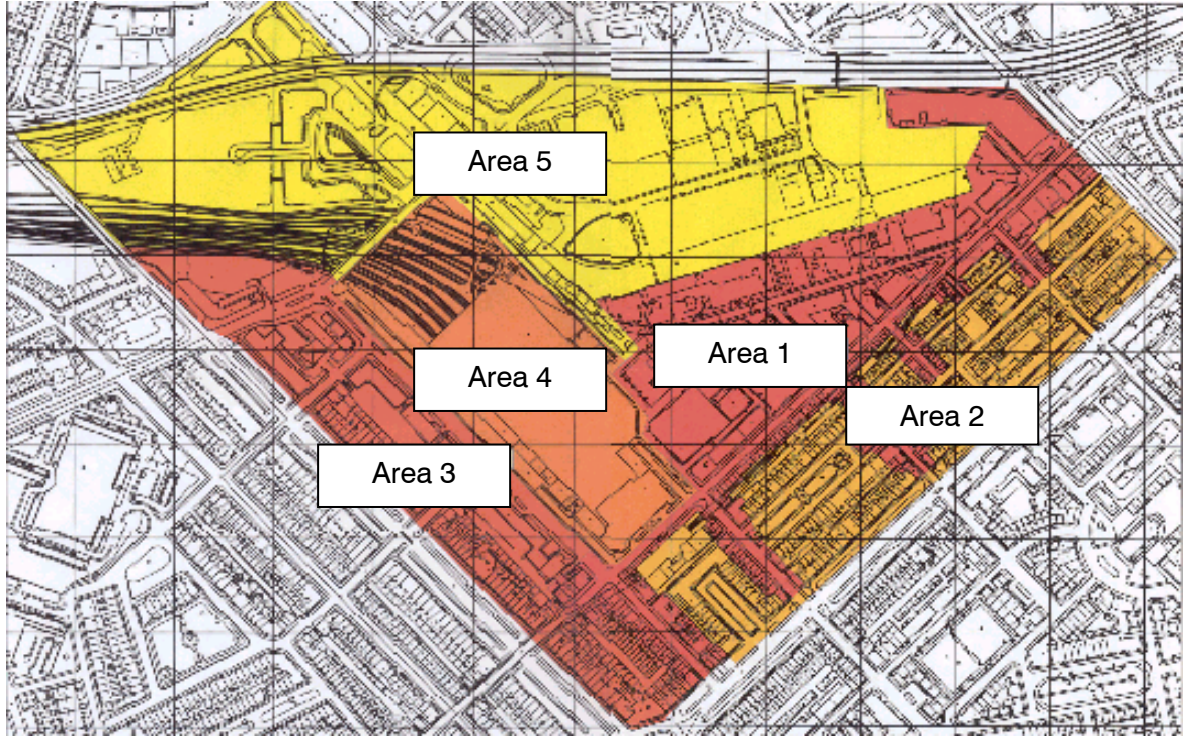
Prior to this perception analysis Paddington Waterside Partnership commissioned a rateable value modelling exercise to determine non-domestic rateable values in the area and potential BID levy rates. This information was used to inform businesses of their likely BID contribution and to establish the rateable value of business' voting intentions.

The area that the BID could potentially cover was divided into five possible areas:

- Area 1 - Praed Street and surrounding side streets of Spring Street, London street, Norfolk Place, Bouverie Place, Sale Place, part of Craven Road and South Wharf Road
- Area 2 – The remaining area from Praed Street to Sussex Gardens
- Area 3 - Eastbourne Terrace, Chilworth Street and part of Craven Road
- Area 4 – Paddington Station
- Area 5 – Sheldon Square, North Wharf Road and part of Harrow Road

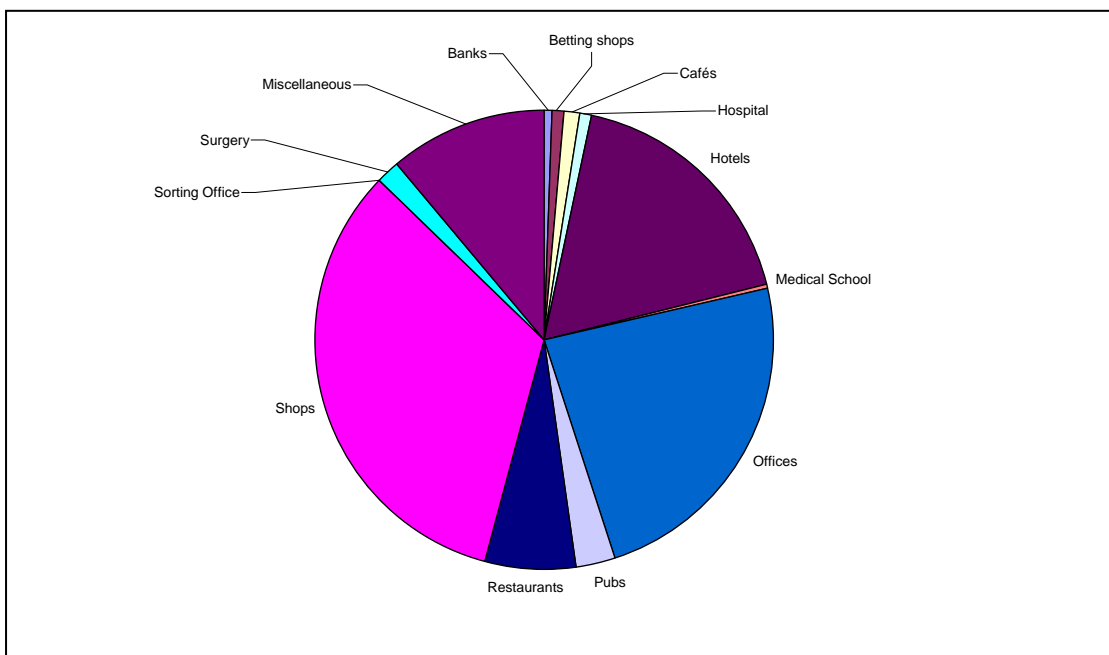
2. BID Research Areas

The research was structured around the five areas shown below.

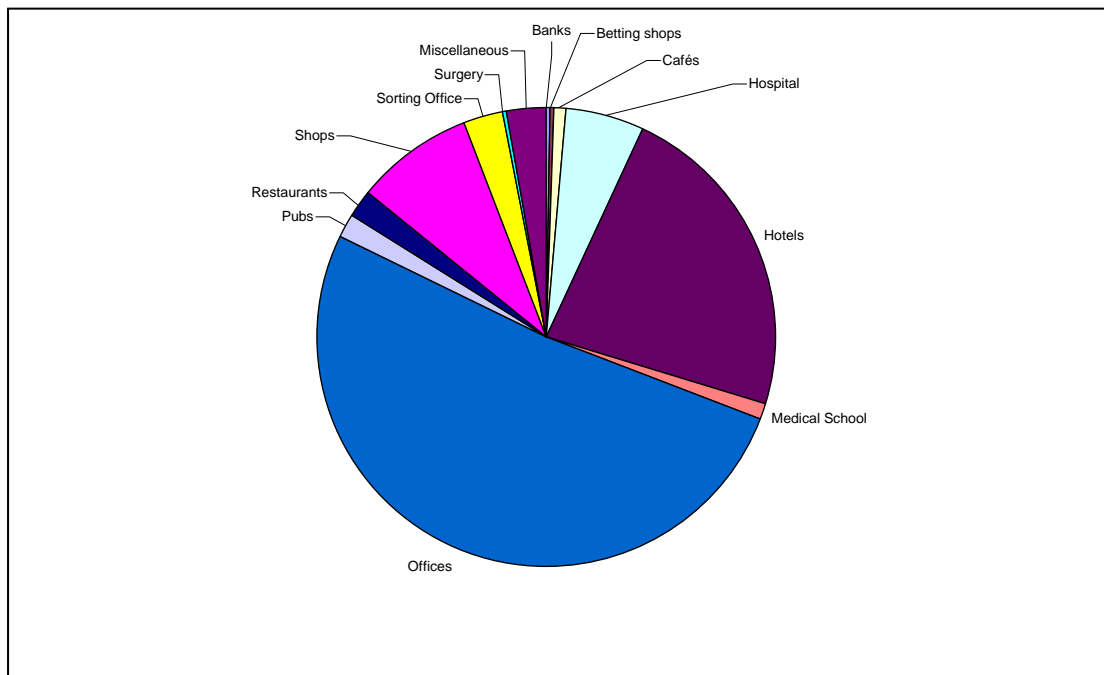


3. Base Data

Total Business Type by Volume (number of hereditaments)



Total Business Type by Rateable Value



There is a huge difference between the relative significance of different business types by volume and by value. Winning the vote on both criteria will be a challenge.

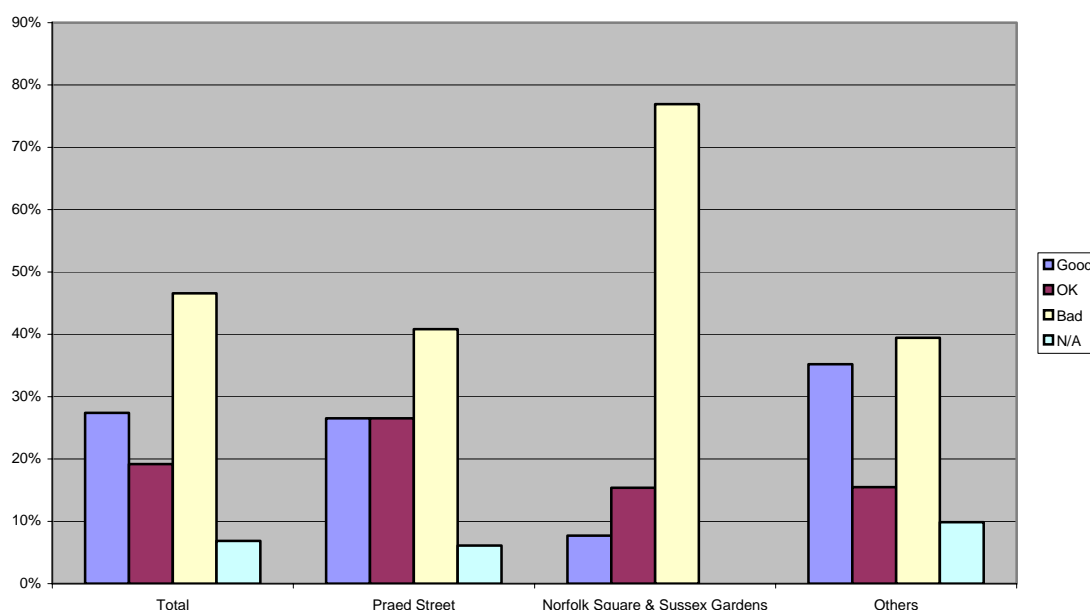
4. Research Sample

Interviews were conducted with 178 businesses, representing 181 hereditaments out of a total of 421. The businesses interviewed represented the business types in the whole area as follows:

	% Interviewed by Volume	% Interviewed by Value
Banks	67%	66%
Betting shops	100%	100%
Cafés	50%	54%
Hospital	100%	100%
Hotels	49%	82%
Medical School	100%	100%
Offices	28%	23%
Pubs	57%	49%
Restaurants	57%	55%
Shops	43%	33%

Sorting Office	100%	100%
Surgery	43%	26%
Miscellaneous	0%	0%
Total	43%	47%

5. Business Confidence



Overall business confidence is not high.

- This is heavily skewed by Norfolk Square and Sussex Gardens which are dominated by hotels.
- Explanations of low confidence include:
 - Lack of tourists over the last 3 years as a result of 911, foot and mouth, the closure of Wembley Stadium and the strong pound. There is particular concern about the lack of American tourists, who tend to fill up the bigger hotels and so drive other tourists to the smaller hotels. There is evidence that even where hotels have high occupancy levels, room rates are quite low.
 - Disturbance of trade through the construction of West End Quay.
 - Lack of passing trade because of parking and traffic problems.
 - Increased competition both from new players like Sainsbury's in the station, and generally from there being too many restaurants / cafes / takeaways chasing too few customers.
- Businesses reporting good trade tend to be less dependent on tourists. In particular the local property market is performing well. There is some evidence that tourism is recovering and the benefit of opening the Heathrow Express was noted.

6. The Biggest Issues Facing the Area

These were the very first top line comments that interviewees made about the issues which were of concern to them in doing business in the area. Not all comments were negative. The most frequently mentioned issues were access, security, retail provision, tourism and cleanliness respectively.

- **Access issues** - Comments particularly related to general traffic problems, taxis and insufficient parking facilities, particularly business parking. Traffic Wardens were singled out for being over-zealous and actively preventing business. Pedestrian safety particularly in relation to the junction of London Street and Praed Street was also mentioned.
- **Security** - Antisocial behaviour, particularly problems with drunks and rough sleepers and lack of police on the beat were identified along with problems with bag and mobile phone theft, football hooliganism and personal security for staff, particularly those working shifts.
- **Retail** - The lack of 'proper' shops and the number of cafes, fast food outlets and sandwich bars on Praed Street was identified. Other issues included too many run down shops, un-let shops, poor shop fronts and on-street trading.
- **Tourism** - Businesses are suffering from reduction of tourists, particularly Americans, following 911. A lack of facilities in the area for tourists and poor hotel standards were also identified.
- **Cleanliness** – the area looks dirty and seedy at times.

Other issues raised were: Westminster City Council; lighting; the fact that the residential population is changing and moving up market; increased rents and rates which are putting pressure on small businesses; concerns about the Waterside development being isolated, delayed and causing disruption; and the image of the area as a bit run down and perceived as being associated with vice.

7. What businesses would like to see happen to Paddington in the future

Again these were initial top line comments about what interviewees would like to see happen to the area. Some did not want much change and there were also a number of comments that the area is already getting better, along with some disillusionment.

Generally the improvements suggested reflect the issues raised above with a new emphasis on environmental improvements.

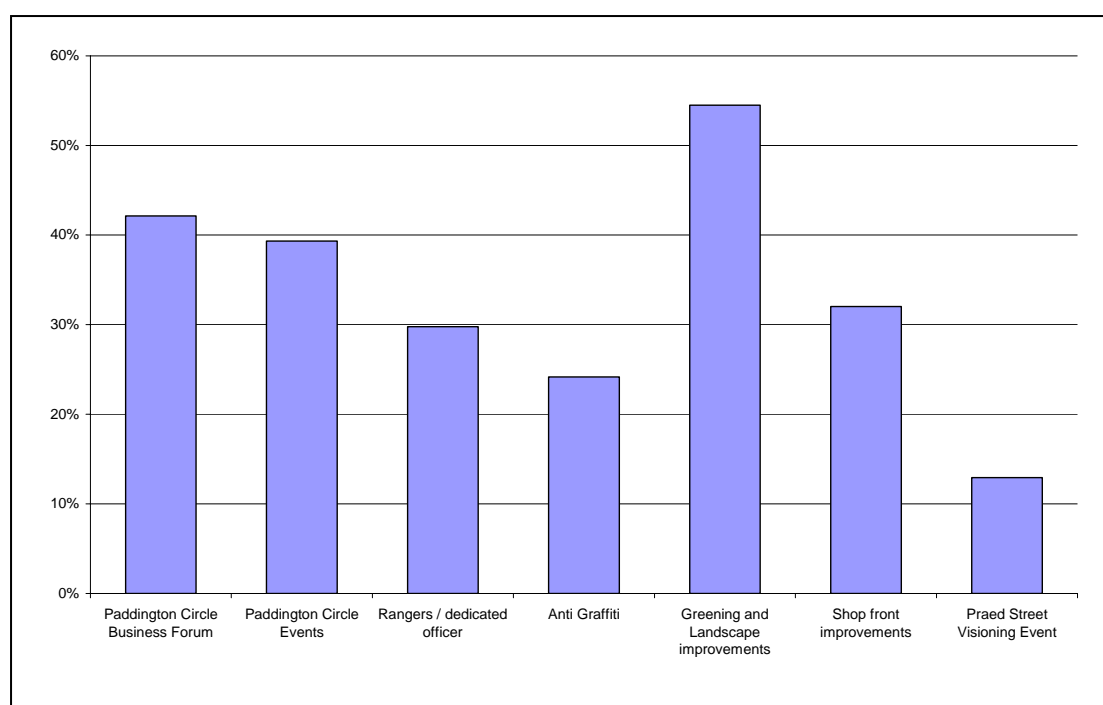
- **Access** – traffic re-routing especially with the closure of Bishop's Bridge Road, relaxing parking restrictions and providing more parking facilities.
- **Security** – more visible policing, better response rates and more surveillance.
- **Retail and entertainment** – increasing retail diversity and providing facilities like a theatre or a cinema. Developing more of a village feel. Reducing the number of vacant shops and developing linkages with Queensway and Edgware Road.

- **Tourism** - more tourists and improvement of the quality of the hotels, together with providing facilities and events in the area for tourists.
- **Westminster City Council** – paying more attention to the area and less red tape.
- **Waterside development** – successful completion and integration of the development.
- **Image of the area** – turning the area around, developing a new image for the area and attracting more people through marketing and promotion.
- **Environmental improvements** - tidying up the visual appearance of the streets, beautification, planting (particularly trees), pedestrianisation and improving the appearance of buildings.

8. Awareness of Paddington Circle

57% of businesses interviewed were aware of the Paddington Circle programme and 24% had been involved in some way. This is a reassuring result considering much of the interview area (Sussex Gardens, Norfolk Square, Eastbourne Terrace and Waterside) was outside Paddington Circle’s former remit. Awareness on a theme by theme basis is shown below.

9. Awareness of Paddington Circle Projects



10. Views on the role of Paddington Circle

There were a variety of comments focusing on:

- Networking
- Improving the area
- Supporting local businesses
- Providing information

There was little understanding that Paddington Circle was heading towards a BID. Many comments were positive but there is some evidence of disenchantment, with comments on lack of results and 'talking but not doing'.

11. Involvement with Paddington Circle

Varying levels of involvement were reported:

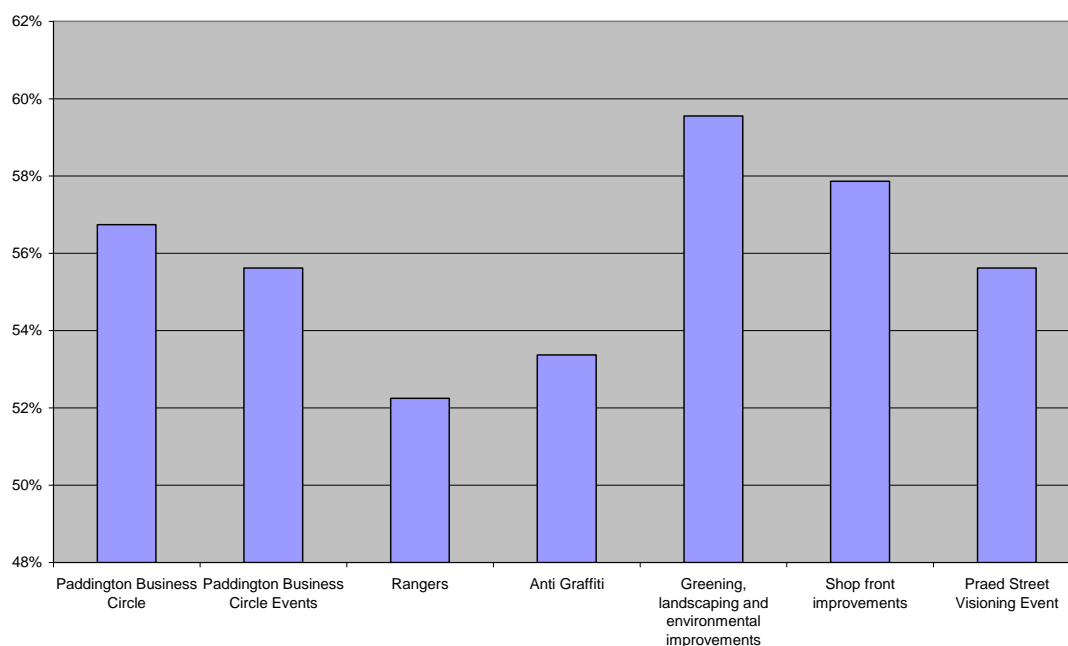
- Business Circle Members
- Attended events
- Know Dorothy Haig
- Have met Rangers / PC Chris Dell
- Get invitations to events but cannot attend.

There were some negative comments about ineffectiveness and disillusionment.

12. Views on Paddington Circle Projects

Interviewees who were aware of Paddington Circle were asked their views on the demonstration projects completed to date.

Percentage who think projects were a good idea



All projects achieved over 50% approval. Approval of projects follows much the same pattern as awareness above, with the exception of:

- Paddington Rangers – doubts were expressed about their visibility and effectiveness.
- Praed Street Visioning Event – although awareness of the Praed Street visioning event was low, many respondents felt that there was a definite need to develop a vision for the area, although they recognised that this would be difficult to achieve.

13. Membership of Paddington Business Circle

11% of those interviewed were members of Paddington Business Circle. A further 39% expressed an interest in becoming a member, and were given the membership form, indicating the potential to almost double existing membership (79) by 69.

14. Awareness of Business Improvement Districts

18% of those interviewed were aware of BIDs, and what they mean.

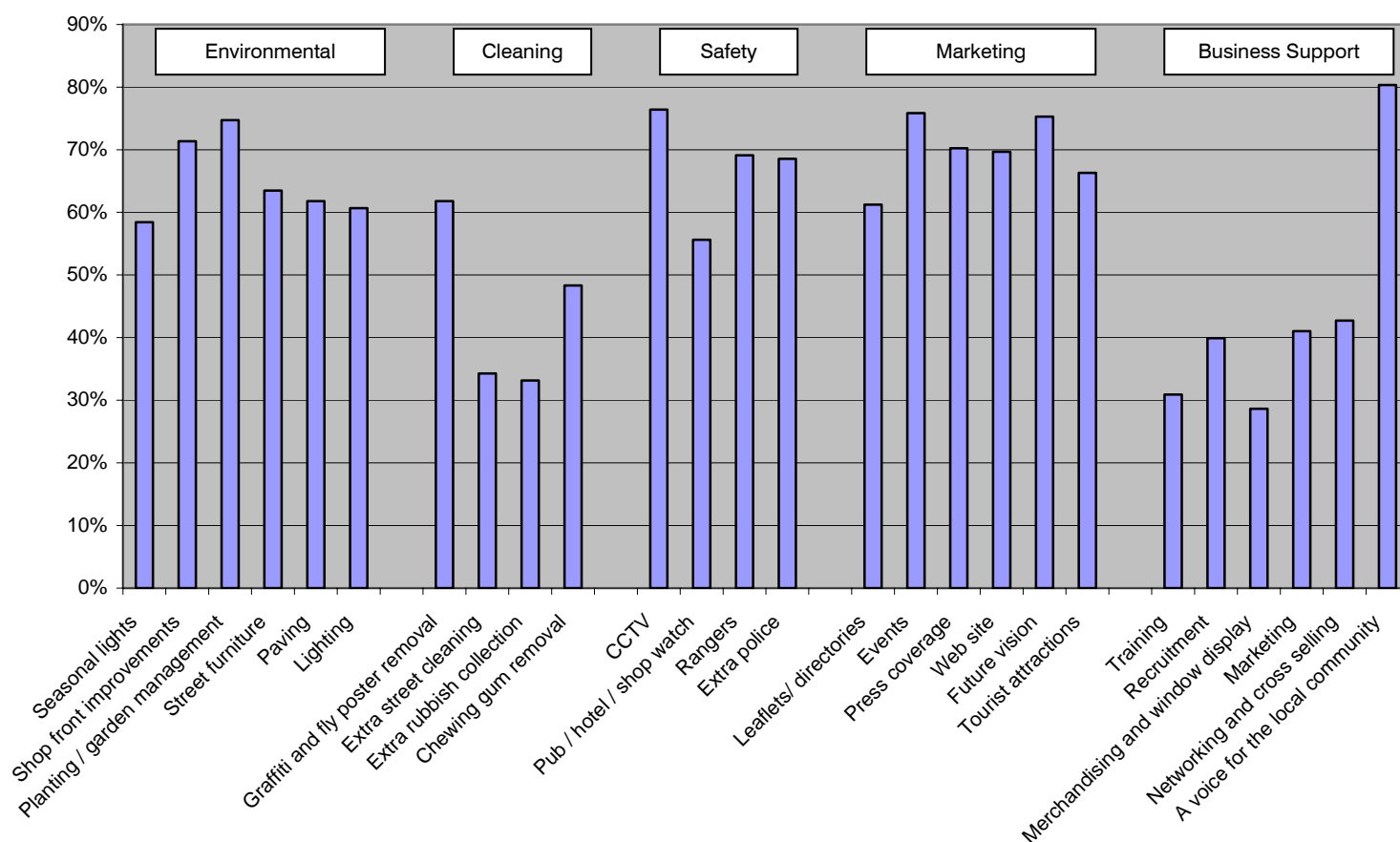
15. Views on the Role of BIDs

This question did not yield useful results because awareness of BIDs was low and those who were aware understood the role of BIDs, so confusion was not an issue.

16. Awareness of the Business Rate System

Awareness, specifically of the fact that Westminster can only retain 6% of the business rates, was low at 15%. There were quite strongly expressed views that the business rates are too high.

17. Services a BID Should Provide



- **Environmental improvements**

All environmental improvements achieved over 50% support with shop front improvements and landscaping receiving particularly high endorsements.

- **Cleaning initiatives**

Although graffiti is not seen as a particular problem in the area, removing graffiti and fly posters / stickers was seen as a priority because it could bring the area down. There was an appreciation that Westminster's street cleaning and rubbish collection had improved recently, although extra services particularly in the evenings and at weekends would always help, because of the nature of the area. Reactions to chewing gum removal polarised between those who found it revolting and those who had not even noticed a problem.

- **Safety improvements**

CCTV was generally seen as a good idea with only a few dissenters who were unhappy about the 'Big Brother' aspect. Approval was roughly equally divided between Rangers and extra police. During the perception analysis the decision was taken to replace Rangers with PCSOs and this may be a reflection of a change in emphasis during the interview period. This was a question that prompted a lot of comments, indicating there are strong opinions on this subject.

- **Marketing and promoting the area**

This was the group of services which received the highest endorsement, leaflets and directories, events, press coverage, a web site, a vision for the future of the area and tourist attractions all received over 60% approval. This may be because, unlike environmental improvements, cleaning and safety, and supporting local businesses, no services of this kind are currently provided in the area. Some new ideas emerged from the interviews including a concierge-style directory of services available in the area, the need for press coverage to be international, there were also many ideas about a vision for the area and some of the hoteliers felt that a shared booth inside the station to provide tourist information and help them find hotels would be a good idea.

- **Support for local businesses**

Providing a voice for the local business community was the most popular BID service. With the exception of this, there was less interest in the business support heading. Many of the businesses have in house systems for training, recruitment and marketing and/or their requirements are too specific for general services to be of interest. Awareness of Paddington First appeared to be quite low, although when the service was explained many expressed interest. Merchandising and shop window display is only relevant to retailers; there was a suggestion that there could be a window dresser for the street who could design themed windows when this was appropriate. Although networking and cross-selling did not rate highly there was interest amongst the hoteliers in group buying of products and services.

18. Views on Paying for Extra Services

Although many of those who were prepared to pay were wholehearted, others qualified their approval in terms of 'provided it produces results', and keeping bureaucracy to a minimum; indicating that if the BID proceeds, communication and management of expectations will be key issues.

Those who objected to paying did so in terms of the cost, because they could not afford it or because business rates are already too high, or because they thought they were already paying for these services.

19. Voting Intentions as at 31 March 2004

By volume

	Area 1	Area 2	Area 3	Area 4	Area 5	Total
Yes	56%	67%	36%	73%	33%	57%
No	18%	14%	9%	18%	0%	16%
Don't know	26%	19%	55%	9%	67%	27%

By value

	Area 1	Area 2	Area 3	Area 4	Area 5	Total
Yes	14%	50%	2%	0%	13%	14%
No	47%	24%	0%	93%	0%	28%
Don't know	38%	26%	97%	7%	87%	58%

This is quite a reassuring outcome so early in the BID campaign, the undecided element (58% by rateable value) is dominated by a few large players and retail multiples who have yet to provide a Head Office view.

Quite positive discussions have been held with Waterside occupiers who have indicated they would prefer not to be included in the BID area but would like to contribute to the BID on a voluntary basis, as part of their commitment to corporate social responsibility and their wider environmental setting (being a good neighbour, staff health and safety issues and community involvement).

20. Further Information

For further copies of this report or more information about any aspect of the BID for Paddington, please contact:

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