

21 September 2012

Dr. Kevin Phelan
Committee Clerk
Social Development Committee
Room 412
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

By email: committee.socialdevelopment@niassembly.gov.uk

Dear Kevin,

Re: Written evidence – Business Improvement Districts Bill

The Royal Institution of Chartered Surveyors (RICS) Northern Ireland is the principal body representing professionals employed in the land, property and construction sectors and represents some 3,000 members. Our members practice in land, property and construction markets and are employed in private practice, in central, regional and local government, in public agencies, in academic institutions, in business organisations and in non-governmental organisations.

RICS Northern Ireland is therefore in a unique position to provide a balanced, apolitical perspective on issues of importance to the land, property and construction sectors.

RICS welcomes the opportunity to contribute to the Northern Ireland Assembly Social Development Committee Inquiry into the Business Improvements Districts Bill.

RICS Research

In order to help facilitate the Committee's inquiry into the Business Improvements Districts Bill I have enclosed two recent RICS research documents on the issue.

The *Nationwide Business Improvements Districts (BID) Survey 2011* is a research report and commentary on the BID development in Great Britain. The research, which is in its fifth year, is the result of collaboration between Alliance Boots, British BIDs, University of Ulster. The paper explores the progress and evolution of BIDs in the UK.

The survey is drawn from responses to questionnaires sent to the 112 formal BIDs within the UK and Ireland with a response rate of 73%. The BIDs have been categorised into two groups, **City Town Centre BIDs** (comprising city and town centres, leisure, commercial, mixed use and city-wide BIDs) and **Industrial BIDs**.

Full details of the 2011 BIDS Survey can be found in the document attached.

BIDs, Economic Recession and the Future of Stakeholder-led Public Realm Management is a research report published by the RICS in December 2011. This report is based on surveys, case studies and semi structured interviews in order to ascertain how the economic downturn and cuts in public spending might have impacted on BID income levels and the associated services that a BID provides.

I hope that the findings of the research may assist the Committee with regard to the effectiveness of BIDs and the operation of such districts in a challenging economic environment.

A summary of the key points are outlined below:

BIDs, Economic Recession and the Future of Stakeholder-led Public Realm Management – Key Findings
(extract)

- The success of BIDs so far comes from their ability to demonstrate to levy payers that they create value for them and can deliver real improvements to their area. This holds true now as it did before. However, the harshening economic climate has intensified the need for BIDs to be accountable to levy payers and to work to an agenda of interventions with the widest possible support among them.



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- As expected, recession and spending cuts have affected negatively BID incomes, but so far only marginally. Levy income, the largest source of income for most BIDs, has remained relatively stable, as has local authority in-kind support. However, there has been a general reduction in the availability of public sector grants, private sponsorship and other forms of additional income. The impact of this has been varied, and more serious on BIDs with pre-recession business plans, which relied on those sources of income to deliver on key agenda items.
- Programmes and activities run by BIDs are still overwhelmingly dominated by 'safe and secure' and 'marketing and events' issues. Recession and spending cuts have had so far only a limited impact on them, with funding shortfalls being compensated by reallocation of resources. However, the disappearance of grants and other additional income has caused some BIDs to postpone or interrupt important projects. Grants have also been vital for any significant capital expenditure, and this is now out of reach for many smaller BIDs. Moreover, the full effect of cuts in local authority services is still to be felt, and many BIDs are now grappling with the question of whether they could or should step in.
- BIDs have had to readjust their expectations of income and delivery potential to a much leaner economic and funding environment. Some BIDs have narrowed their focus towards a few core activities; others are re-thinking their roles and embracing new ones as service delivery organisations, community enterprises, business support entities, pressure groups, and so forth. This suggests the emergence of different 'models' of BIDs for different contexts, which are likely to become more evident as BIDs consolidate their roles in the management of their areas
- The implications for the public realm of the evolution and consolidation of BIDs will be varied. Some BIDs are likely to play an increasing role in the delivery of public realm services and the shaping of public realm quality. In those places, the existence of adequate mechanisms to harmonise the interests of levy payers with other local stakeholders will be of great importance. Others will only have an occasional impact on the public realm, with a

more pronounced role of the local authority in mediating that impact. Others will still have a minimal role in public realm management, acting more as monitors for levels of quality delivered through local authority programmes.

- Understanding in more detail how different BIDs operate, is becoming an important part of critically thinking about urban governance. This requires a clear understanding of the aspirations BIDs represent, of how those aspirations relate to other interests affecting town/city centres and industrial areas and to broader policy objectives for those areas, and how these are shaped by fluctuations in the economy.

I hope that the research is of use to you and the Committee during your inquiry into BIDs legislation for Northern Ireland. If you require any further information please contact me.

Yours sincerely

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Policy Manager (Northern Ireland)



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