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# RICS RESEARCH

BIDs, Economic Recession and  
the Future of Stakeholder-led  
Public Realm Management



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# BIDs, Economic Recession and the Future of Stakeholder-led Public Realm Management





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## Introduction

Business Improvement Districts (BIDs) were introduced in the UK in 2003/2004 and their widespread adoption has been linked to their ability to raise funds to invest in the locality, through a mandatory supplementary levy on business rates, voluntary contributions, sponsorship and public sector grants. However, the economic downturn has already restricted those sources of funding, and public sector spending cuts are likely to restrict them even further. This case-study research has investigated the impact recession and spending cuts have had and are still likely to have on the way BIDs operate, and has identified the threats and opportunities to them as stakeholder-led instruments for the management of town centres and commercial and industrial areas.

## The Research

The objectives of the research were threefold:

- To explore the assumptions that have underpinned the formation of BIDs and the impact on them of the current economic downturn;
- To examine the services delivered by BIDs as urban realm management organisations and the impact on those of potential constraints on public and private spending;
- To investigate the resilience or otherwise of BIDs as long-term solution to challenges to urban realm management.

The study was divided in two stages. The first comprised a short on-line survey of the around 100 BIDs in operation in October 2010, conducted with the support of UKBIDs, the UK national BIDs advisory service. The purpose of the survey was to provide a general picture of how the economic downturn and cuts in public spending might have affected or have threatened to affect BID incomes and the levels and types of services they provide.

The second stage was based on 10 in-depth case studies of BIDs across England, selected on the basis of their nature, location and nature of impacts as reported in the survey. The case studies sought to understand how those BIDs had been affected by recession and public spending cuts and what strategies they had been using to deal with any adverse impacts.

For each of the 10 cases, semi-structured interviews lasting up to 1¼ hours were conducted with a BID manager, and a relevant local authority officer (around 20 in total). In order to increase the robustness of the findings, interview data was complemented by documentary evidence from consultation documents, spending plans and other BID documents.



## Key Findings

- 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.
- 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.



# 1.0 Introduction

Over the last two decades, there has been a noticeable emergence of forms of urban realm management in the UK challenging established roles of the state and civil society. These include those privately owned and managed parts of the urban realm – the so-called private public space; the takeover of the management of parks and other public areas by community trusts, the voluntary town centre management schemes run by local businesses in partnership with local authorities of which there are about 600; more to the point of this research, Business Improvement Districts (BIDs).

The rationale driving this process has been linked to approaches to urban governance inspired by theories that advocate the sharing of governance responsibilities with stakeholders outside the public sector and put an emphasis on partnerships and collaboration in the provision of public goods and services (Sullivan and Skelcher, 2002). The recent emergence of the 'Big Society' agenda gives an added impetus to this drive toward alternative forms of service provision and governance, with its emphasis on an increasing role for civil society in managing its own affairs (CLG, 2010).

For occupiers and owners of commercial property, engagement with collaborative public realm management would come from potential advantages to businesses and the value of assets to be gained by having some degree of control over their immediate surroundings as regards safety, cleanliness, amenity value and so forth, and by securing a level of public realm quality that might make their location more competitive. This becomes more important when seen in a context in which public investment in the quality of the urban realm experienced a decline for much of the last 25 years (ODPM, 2004), and the reversal of this trend since the middle of the last decade might now be under threat from local authority spending cuts.

From the public sector perspective, stakeholder involvement in governance and service delivery should secure more efficient, demand sensitive and differentiated ways of delivering services and manage spaces; access to resources of various kinds beyond declining public sector budgets, a more effective way of ensuring that towns and cities remain viable and competitive vis-à-vis other de-centralised and less desirable spatial arrangements of people and economic activities (Audit Commission, 2002).

BIDs are perhaps the more sophisticated form of these stakeholder-based urban realm management arrangements. A relatively recent import from North America, they were regulated in 2004 with the first UK BIDs coming to existence at the end of that year. They are in essence, a time-limited partnership of business ratepayers with their local authority, with powers to decide on an extra levy, which is then ring-fenced to pay for additional services and improvements in their locality for the usually 5-year term of the BID. Once voted and approved, the levy has a compulsory character for all businesses in that area, thus removing the free rider problem, which has beset voluntary arrangements of a similar nature.

However, in spite of their apparent success and increasing ubiquity, all these forms of public realm management have been developed and gained ground in a context of continuous economic growth. Until recently, the re-think of state-dominated provision systems for all kinds of public goods and services could rely on the buoyancy of the economy and the potential capacity of private stakeholders to absorb the costs of managing the goods and services on which they had a stake. We are now in a very different context. The pressure for cuts in public spending is likely to be a constant for years to come, and private stakeholders might find difficult to cover the gap those cuts will create while, at the same time, needing more than before the quality of public realm that those management forms can make possible.

Therefore, there is a need now to examine how stakeholder-led public realm management mechanisms such as BIDs are reacting to a changing economic environment and what the perspectives are for them, and for the localities of whose governance they have become a part.



## 2.1 Underpinnings and characterisation of UK BIDs

A BID is a time-limited, flexible funding mechanism to improve and manage a clearly defined commercial area. It is based on the principle of an additional levy on all defined ratepayers following a majority vote. Once the vote is successful, which must achieve both a majority in terms of number of ratepayers and the proportion of their rateable value, the levy becomes mandatory on all defined ratepayers for the duration of the BID and is treated in the same way as the Business Rate (i.e. the UK tax on commercial property), becoming a statutory debt (ALG, 2005).

As a governance mechanism, BIDs are contractual partnerships for urban realm management through which some rights over the management of a locality are transferred from the local government to ratepayers (Peel et al., 2009). In this regard, BIDs embody an implicit recognition of the club good nature of many urban realm attributes (Webster, 2002). They do so by transferring some managerial control and responsibilities for those attributes of the locality such as the degree of cleanliness or, safety, place image and so forth, to those with a direct stake in them. The assumption underlying this transfer is that the quality of the urban realm will influence the success of businesses or the value of property assets, and therefore commercial occupiers and property owners might be prepared to invest resources in it, above and beyond the levels of investment that society would be able or prepared to contemplate. Unlocking these resources (financial and otherwise), would represent an efficient approach to managing the public realm, especially when demands surpass the ability of the public sector to meet them. Moreover, at least in theory, BIDs should lead to urban realm management regimes that are more sensitive to users' demands and more flexible to changes in user aspirations.

The origins of BID as an instrument of urban management are well documented (see Morçöl et al., 2008; Ward, 2006). First conceived in Toronto in the late 1960s, BIDs gained rapid ground in the US in subsequent years, as an evolution of policy measures that allowed designated locations to raise extra taxes to pay for services and improvements. By the middle of the last decade, there were in excess of 1,000 BIDs in the whole of the US, and BIDs and BID-like organisations had been created in several other countries in the World.

Morçöl and Zimmerman (2008) connect the expansion of BIDs to privatist views about urban management and the relationship between citizens and local government, which became dominant in the 1980s. Similarly, Ward (2006) links the spread of BIDs in the US and later to the UK with the shift from managerial to entrepreneurial forms of urban governance, associated with the promotion of neo-liberal solutions to societal problems by successive New Labour governments. Whether or not the connection is as direct as he suggests, the fact remains that BIDs were perceived

from the start as a way of holding and reversing the dramatic decline in the economic health and environmental quality of formerly prosperous town and city centres of American cities, and of redirecting investment to those areas. Much of that decline was blamed on failures of local government, and BIDs represented a way of mobilising private interests to take over the management and reverse the decline. Successful, wealthy, corporate-driven BIDs in places like Times Square and Grand Central in New York came to symbolise what BIDs were about and what they could do, even if the reality for many US BIDs was in fact a bit more prosaic (see Gross, 2005).

This study suggests that the emergence of arrangements such as BIDs in the UK derives from two combined sets of factors. The first were changes in the context in which public services provision operates. Much has been written about the main thrust of government responses to the crises of the post-war welfare state in the 1970s (Hajer and Wagenaar, 2003; Kooiman, 1993; Leach and Percy-Smith, 2001; Pierre and Peters, 2000). For the sake of brevity, it suffices to say that policy efforts at national level to reduce the costs and size of government led to a curbing of powers and spending of local authorities and a redistribution of resources within public services. Public realm services suffered a 20-year steady decline in funding, which has only recently been reversed (DTLR, 2002; Audit Commission, 2002). It has also led to the flowing of power to a plethora of subsidiary bodies within and outside the formal boundaries of the state (Rhodes, 1997) giving rise to the need for forms of collaboration between different sectors and jurisdictions for the delivery of public goods and services (Sullivan and Skelcher, 2002).

The second set of factors came from new demands that were put on the urban realm by policy makers and society. The perceived need for cities to compete to attract the more footloose investment of the globalised economy led to an increasing concern with the vitality and viability of town and city centres and the role in this of public realm quality (see Urban Task Force, 1999; DETR, 2000). At the same time, changes in the nature of retail have exacerbated competition between locations, pitching traditional town centres against new retail formats in out-of-town locations, with profound implications for those operating business and owning property in central areas, as well as those depending on them to meet their needs. All these pressures have brought to the fore the need for urban realm management systems that are sensitive to locational differences.

The cumulative results of those contextual demands on the public realm have exacerbated the shortcomings of traditional local authority-based management systems. The main challenges include levels of funding, the lack of coordination among agencies, the lack of flexibility and fine-tuning ability of centralised management systems to respond to ever fragmented demands and increasing aspirations, the constraints on accountability at a very



localised level by city-wide public organisations (De Magalhães and Carmona, 2006; ODPM, 2004). In light of this, BIDs and other contractualised public realm management mechanisms have been seen as a way of reconfiguring rights, roles and responsibilities to address those challenges (De Magalhães and Carmona, 2006).

The decline in investment and in the economic competitiveness of British town and city centre and the search for a solution that did not rely on public investment was behind the first moves to transfer the policy to the UK in the 1990s (Ward, 2006; Reeve, 2004). The first pilot BIDs in the UK were brought about through The Circle Initiative, a scheme that began in 2000 with Single Regeneration Budget funding from the London Development Agency to fund five pilot BID areas in central London over five years. This scheme was followed two years later by the National BID Pilot project, funded by the government, retail and property businesses and spearheaded by the Association of Town Centre Management. This project was set up to trial BID development in 22 areas around the UK in a variety of locations and circumstances, for a period of 3 years.

The aim was to see how BIDs would develop, in order to provide specific data and experiences that could inform legislation and help define a workable process for establishing and operating BIDs.

Already at the end of 2001, the Government White Paper on local government (DTLR 2001) had laid out the policy case for BIDs, and in less than two years later the Local Government Act 2003 received Royal Assent, with Part 4 referring to BIDs. BID regulations for England were passed in September 2004, allowing the first BID ballot to take place in Kingston, with a successful result later that year (ALG, 2005). Regulations for Wales followed suit (2005). BID legislation for Scotland was approved in 2006.

In the nearly 7 years since the passing of the regulations for England, more than 100 BIDs have been approved in the UK, with success in about 5 in each 6 BID proposals. About 20 of these BIDs are already in their second mandate, having gone through a new vote after the end of their original 5-year term (See Appendix 1 for a list of the 100 BIDs in existence in the autumn of 2010, and Figure 1 for their geographical distribution). At the time of writing, there was only one case of unsuccessful renewal vote.

**Table 1** BIDs in operation in the UK: BIDs per region (October 2010).





## 2.2 The UK BID model

The 2004 BID Regulations specify what conditions a BID proposal must fulfil to gain approval, how it should be funded, what it can do and how it can be made accountable to its stakeholders. Regulations for Wales are quite similar, and so are those for Scotland.

In order to set up a BID, interested parties have to consult all potential levy payers and submit to a vote the BID proposal, formalised in a Business Plan. The ballot must include all potential levy payers in a locality, and BID Business Plan should be set out who will be liable to pay the levy and who will not (particular types of businesses or those below a certain threshold of rateable value might be exempted). The local authority is a key player in overseeing the BID formation process, and is responsible for running the BID ballot. A successful BID needs to get a majority vote both in terms of numbers of voters and rateable value. The regulations for England do not establish a minimum turnout for the ballot, whereas the Scottish 2006 Act mentions a minimum turnout of 25% on both accounts (numbers and rateable value).

Once approved, the BID is constituted into a legal entity, normally a not-for-profit company with a management board with a majority of levy payers, often including representatives of the local authority, and occasionally residents and representatives of other important stakeholders with various degrees of voting rights.

The main statutory source of funds for a BID is the levy, which is normally but not necessarily calculated as a percentage of the rateable value for which the businesses taking part in the ballot are liable. For the majority of BIDs, the levy has been set around a figure of 1% of rateable value, although some BIDs have opted for flat fees, banding or graded levies. The levy is mandatory for all qualifying businesses within the BID area, regardless of whether they

voted in favour of the BID. UK BIDs differ significantly from BIDs in the US and elsewhere, where the levy is charged against property owners rather than occupiers of commercial property. This comes from the nature of taxes on commercial property in the UK, based on non-domestic rates for units of property (hereditaments), payable by property occupiers (Blackwell, 2008).

The BID levy is collected by the local authority and deposited in a special account from where it will be transferred to the BID to be spent in the proposals outlined in the Business Plan. An Operation Agreement between the BID and the local authority sets out how the levy is to be collected, how the money is transferred to the BID and who should cover the costs of collection and administration of the levy. Much of the appeal of the BID is the possibility that levy income will be complemented with income raised from grants from public sector programmes, voluntary contributions from property owners, sponsorship for particular events/projects and contributions in kind from the local authority and others.

The Business Plan approved in the ballot is a legally binding document and sets out clearly the services and activities the BID during its term of existence, how they are going to be funded and how the BID will be run. These normally include typical 'clean, green and safe' services such as CCTV and street cleansing, and place-marketing initiatives, although some BIDs also work to a business support agenda. Baseline agreements signed with the local authority and other service providers detail the level of services the BID should expect from these providers, putting the relationship between them in a more formal contractual footing. In theory, these agreements should ensure that BID intervention is additional to regular public service provision and not a replacement for it.

## 2.3 The issues

A quick glance at the academic literature on BIDs in the last few years suggests the dominant concern has been with issues that would emerge from too much success, i.e. BIDs coming to deploy large amounts of private wealth and power and thus gaining a large degree of control over the public realm in detriment of others, exacerbating issues of accountability and inclusion. Many studies have taken as given BID's ability to raise private and public money to deliver what they see as a private agenda, and the concern has been that resource-rich BIDs would take over the governance role of local authorities and become akin to privatised governments of town and city centres (Minton, 2009; Ward, 2006; Mitchell and Staeheli, 2006).

However, there is not much evidence among UK BIDs for an overwhelming influx of private resources pushing traditional public service provision aside and taking the kind of control over their area that can be seen in privately managed shopping malls, or that has been associated with the largest US BIDs. Firstly, UK BIDs are quite limited in their powers to control and manage the public realm on their own. Although set up as independent, not-for-profit and business-led companies, UK BIDs belong to a tradition of public-private partnerships in area governance which rely on the private sector for efficiency, but do not dispense with the statutory powers and responsibilities of public sector service delivery agencies (Lloyd and Peel 2008). For these partnerships, the legal, political and material support of statutory public sector bodies – in this case mostly the local authority – is a condition for success, as are public sector grants for any significant capital investment.

Secondly, an occupier-based levy would always be restricted in the amount of resources it could raise, reflecting the typical range, size and ability to pay of business occupiers in towns and city centres and industrial areas. (see Blackwell, 2008; CLG, 2007). The largest UK BID, the New West End Company (NWECC) (the Oxford Road/Bond Street BID in London) was expecting an income in 2010 of about £5 million – more than triple that of the second richest city centre BID – of which just 50% was income from the levy and at least 20% were public sector transfers (NWECC, 2008). This can be compared with New York's Times Square BID, with an income of circa £9 million for the same year, two-thirds of which from the levy, supported by an asset base valued at another £3 million (TSDMA, 2010), or Grand Central BID, with similar income pattern and an asset base of about £15 million (GCP and GCDMA, 2010). The average annual income of UK BIDs at around £400,000 is far lower than those values, with many smaller BIDs raising much smaller sums than that (see Appendix 1).

Nevertheless, beyond a potential 'privatisation of the public realm' and its implications – if that is indeed what BIDs represent, there are other issues that have not been discussed extensively so far. These refer to the resilience of stakeholder-led public realm management arrangements and their ability to replace or at least complement the state-centred, 'command and control' form of governance and service delivery, and therefore to provide a long-term alternative to it. This is particularly relevant now in view of UK Government policy of transferring governance and service delivery responsibilities to civil society (CLG, 2010) and in view of the impact recession and public spending cuts will certainly have on the ability of civil society to respond to that challenge.

The BID model was conceived in a period of sustained economic growth and much fewer restrictions on public sector spending. A random examination of business plans put forward in 2005/2006 will notice a reliance on the plethora of urban regeneration and economic development grants for the full delivery of business plan items (CLG, 2007). Indeed, the private sector match-funding character of the levy made BIDs ideal recipients of such grants. Voluntary contributions from property owners were also frequently mentioned as a source of income to be counted on, and in retrospect, some business plans look excessively optimistic in terms of the amount of income a BID could generate and the services it could deliver. Therefore, issues arise in relation to the resilience of BIDs, their operation and prospects, especially given the pressures on many businesses' ability and willingness to pay the BID levy or make voluntary contributions brought about by the recession, and the threats to local authority support and grant funding as part of public spending cuts.

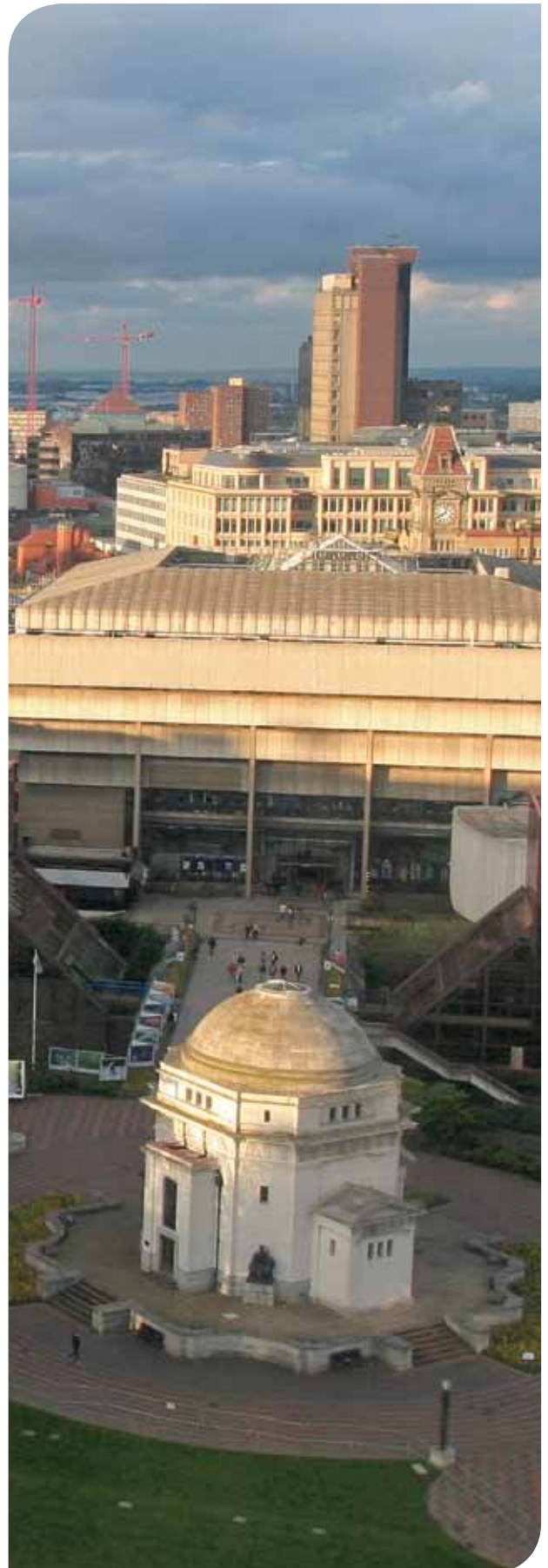
With that in mind, the research reported here focuses on two key issues:

- The validity of the assumptions behind the creation of BIDs in terms of cost-benefits, delivery potential and the impact on them of variations in the performance of the economy;
- The prospects of BIDs as a private stakeholder-led urban realm management tool.



Accordingly, the objectives are threefold with the following research questions:

- 1.** To explore the assumptions that have underpinned the formation of BIDs and the impact on them of the current economic downturn;
  - 1.1.** Has the BID levy been justified in terms of the additional value it creates or any other benefits it brings?
  - 1.2.** Has the current downturn affected significantly the relationship between benefits and costs of contribution?
- 2.** To examine the services delivered by BIDs as urban realm management organisations and the impact on those of potential constraints on public and private spending;
  - 2.1.** What has been/is likely to be the impact of the recession on voluntary and other additional contributions and how has this affected/might affect BIDs' finances and their ability to deliver on their agendas?
  - 2.2.** What has been/is likely to be the impact of the recession on local authority services and how has this affected/might affect the services BIDs deliver?
  - 2.3.** Which public realm interventions are more likely to be affected?
  - 2.4.** How are BIDs dealing with the resource constraints outlined above?
- 3.** To investigate the resilience or otherwise of BIDs as long-term solution to challenges to urban realm management.
  - 3.1.** What are the immediate and longer-term implications for BIDs as an urban realm management model?
  - 3.2.** What are the immediate and longer-term implications for urban areas and their public realm?



## 3.0 Methodology

In order to explore those research questions, the study relied on 10 in-depth case studies of BIDs in England, seeking to understand how they had been affected by recession and public spending cuts and what strategies they had been using to deal with any adverse impacts.

The first stage in the study involved desk research, which produced a solid overview of the general population of operating BIDs and guided an initial survey of existing BIDs. Information was collected from secondary sources such as BIDs Business Plans, reports produced by advisory bodies and consultancies, government reports and the relatively small academic literature on the subject. Appendix 1 summarises some of the information produced at this early phase.

The second stage included a short on-line survey of the around 100 BIDs in operation in October 2010, conducted with the support of UKBIDs, the UK national BIDs advisory service. The purpose of the survey was to provide a general picture of how the economic downturn and cuts in public spending might have affected or have threaten to affect BID incomes and the levels and types of services they provide. Accordingly, the survey was designed to confirm available information and provide supplementary data on:

- The main characteristics of existing BIDs, type of location, size, income and support, main activities and variation if mandate was renewed.
- Basic trends in income (levy and additional) and potential impacts.
- Basic trends in relevant local authority service budgets and potential impacts.

The survey was conducted from mid-October to the end of December 2010. Results were entered into a spreadsheet, complemented with information obtained from secondary sources. The findings are summarised in the next section, and were essential in defining the 10 cases for the next stage of the study.

The third and main stage of the study comprised case-study analyses of 10 BIDs, selected on basis of nature of their nature, location and nature of impacts as reported in the survey. Guidance from the advisory service UKBIDs was sought before the final selection was confirmed.

For each of the 10 cases, semi-structured interviews lasting up to 1¼ hours were conducted with the BID manager, and a relevant local authority officer (around 20 in total). Initial expectations to interview a levy payer and a property owner who contributed voluntarily to the BID proved either difficult in the case of the former, or unnecessary in the case of the latter. The logistics of interviewing levy payers proved too time and resource consuming, whereas the absence of any significant involvement of property owners with BID bar very few exceptions suggested that little extra information would be produced through that line of inquiry. In order to increase the robustness of the findings, interview data was complemented by documentary evidence from consultation documents, spending plans and other BID documents. The full findings of the case studies and their implications are discussed in section 4.

**Table 1** Survey responses per region

Region	Number Responses	% Responses	UK Total Number	% Total
East Midlands	2	5	9	9
East of England	3	8	6	6
London	8	22	22	22
North East	1	3	3	3
North West	4	11	12	12
Scotland	1	3	8	8
South East	4	11	9	9
South West	4	11	10	10
Wales	1	3	1	1
West Midlands	6	16	16	16
Yorkshire and the Humber	2	5	2	2
Ireland	1	3	1	1
<b>Total</b>	<b>37</b>	<b>100%</b>	<b>99</b>	<b>100%</b>

## 4.1 Distribution of responses

The request to fill in an online survey questionnaire was sent out to managers of 98 of the around 100 BIDs in existence in October 2010. A copy of the questionnaire is in Appendix 2. The survey elicited 40 responses, of which 37 were complete enough to inform the analyses. Given that the purpose of the survey was to obtain enough information about a variety of BIDS in different contexts, a 40% rate of reply was deemed to be quite sufficient.

The distribution of respondents according to UK administrative regions is recorded in the table above.

The spatial distribution of survey responses was not expected to match closely the distribution of BIDs nationally, especially because BIDs are concentrated in some regions, particularly London (22%) the West Midlands (16%) and the North West (12%), and exist in small numbers in Wales, the North East and Yorkshire and the Humber (1, 3 and 2 BIDs in each respectively). Therefore, one response in the latter represents a much higher proportion compared to one in London. However, the survey aimed for a wide spread of responses so that different contexts could be captured, and

for a significant number of respondents from the regions where BIDs are most present. As shown in the table, the survey succeeded in achieving a good coverage overall, with similar proportion of responses to incidence of BIDs for those regions where BIDs are concentrated, providing enough information for a snapshot of the challenges facing BIDs in all parts of the country.

To facilitate the analysis of the results and the selection of the case studies, respondent BIDs were further subdivided according to the type of settings in which they operate. The study adopts a four-fold classification of BIDs as metropolitan core, metropolitan periphery, town centre and industrial area. This is a simplification of similar classifications found elsewhere (see British BIDs and University of Ulster, 2010), and although the robustness of this categorisation needs further testing, it seems plausible that to differentiate BIDs according to their settings within towns and cities, the nature of the businesses they are likely to represent and the likely vulnerability of the commercial and property interests in their area to the recession and spending cuts.



A full description and the analytical usefulness of these four categories are set out below:

- **Metropolitan Core BIDs (MC):** These are BIDs that cover central business districts of London and core UK cities (some might cover office quarters, some city central retail and leisure, some a mix of those). The businesses they represent cater for regional, national and even international markets with significant presence of office headquarters and/or large multiples (whether or not in enclosed shopping centres). The impacts of recession will be shaped by the national and often international character of the businesses. Some of these BIDs have a mix of small local businesses and large multiples, with regional and citywide catchment areas and some functional specialisation. In these cases, the impact of recession will be shaped by the nature of their functional specialisation.
- **Metropolitan Periphery BIDs (MP):** These are in local centres within large metropolitan conurbations but outside the core city and its immediate surroundings. They typically contain a mix of small and large business with regional and local catchment area. The impacts of recession will be linked to the nature of the businesses and the vibrancy of the local/regional economy, but mediated by a metropolitan economic dynamics. Typically, there will be important issues of competition with other centres within the metropolitan area.
- **Town centre BIDs (TC):** These operate in the retail and business core of freestanding cities and towns outside major conurbations, with regional and local catchment areas. They typically contain a mix of small and large businesses with strong regional and local character. The impacts of recession will be linked to the nature of the businesses in the area and of the local/regional economy. There will be important issues of competition with other town centres in the region.
- **Industrial area BIDs (IA):** These comprise industrial estates and business parks, usually located in the edge or outside urban areas, whether or not close to large conurbations or smaller urban areas. The impacts of recession will be related to nature of the occupiers of the properties covered by the BID and their dynamism within the regional economy.

Mapping the survey responses against those four categories reveals a very close match (see Table 2 below). Once again, this suggests that the survey responses represent an adequate sample of the universe of BIDs, and that our categorisation has some usefulness as a descriptor of BID contexts and an aid to process and present the findings.

**Table 2** Survey responses per type of BID

BID Type	Number Responses	% Responses	UK Total	% Total
Metropolitan Core (MC)	8	22	20	20
Metropolitan Periphery (MP)	3	8	8	8
Town Centre (TC)	18	49	48	48
Industrial Area (IA)	8	22	23	23
<b>Total</b>	<b>37</b>	<b>100%</b>	<b>99</b>	<b>100%</b>



## 4.2 Survey findings

The survey asked respondents to disclose the annual income of the BID, what part of it was due to levy and additional contributions, what made up most of the latter, and what the key spending areas were. It also asked what impact on income the recession was likely to cause and how that would be reflected into what the BID did. Finally, it asked about the potential cuts in baseline service from the local authority and others, and requested respondents to mention the main challenges they saw for BIDs in the coming years. A table with the full list of respondents can be found in Appendix 3. The table below summarises all responses, grouped into our four BID types. Its contents are discussed in length in the following page.

The survey findings summarised in the table on page 17 suggest a number of issues about what BIDs do as service delivery bodies and part of localised governance mechanisms, how this might be affected by the recession and public spending cuts. These issues are discussed below and are further explored in the case-study stage of the research. We have adopted the categorisation of BIDs by type of location, explained earlier, as a way to consolidate the survey data and try to identify common issues and trends for further exploration. Commonalities among BIDs within each of those four categories seem to support their use for analytical purposes. The indications from the survey are that Industrial Area BIDs have very clear characteristics of their own and there is a strong case for them to be examined as a group. Metropolitan core BIDs also have their own specific dynamics, although this is more varied and includes marked specialisation. The same seems to apply to Metropolitan periphery BIDs, although the small numbers and the fact that they are restricted to the London and Birmingham metropolitan areas suggest caution with generalisations. Town Centre BIDs are naturally a more varied category, but their size, focus and concerns allow them to be treated as a group for the purposes of this study.

**Table 3** Summary of survey findings

Type of BID	IA	MC	MP	TC
<b>Income/ expenditure</b>	Between £40k (small, single estate) to £200k (large, single estate). The exception is the multi estate BID in Bolton (£420k)	Typically around £500 to £700k for smaller or specialised BIDs, but going to above £1.2m for large retail core	Varied, depending on size, location and business mix. From just over £100k in Birmingham to £1m in a prosperous London suburban centre	Typically between £300 and £500k but with a few smaller and more remote town centre BIDs below that, and a few larger town centres with incomes of £900k to above £1m
<b>Levy income/ other income</b>	As a rule, almost 100% from levy for year on year expenditure (excluding one-off RDA/LA grants)	Varying from 50% to 100%, depending on age of BID, sale of services, involvement of property owners and public sector grants/match funding	Between 80 and 90% levy	Closer to 100% levy for smaller and newer BIDs, others varying from 30 to 90% levy depending on sale of services, involvement of property owners and grants/contributions from LA and other public sector bodies
<b>Other income</b>	When present, mostly LA in kind or LA/RDA grants	When significant, involves public sector grants/match funding. Otherwise sponsorship, earned income from sale of services, property owners contribution (less than 10%)	Similar to MC. Some with income as LA contractors for the delivery of services	As with MC, with earned income, sponsorship and property owner contribution at generally no more than 10% each. Some with income as LA contractors for the delivery of services
<b>Key areas of spending</b>	Overwhelmingly crime and safety (inc. environmental crime)	Varied, but generally marketing and events followed by crime and safety, and then environmental improvements and business support	Similar to MC, but with prominence of green issues (both recycling and greenery)	Marketing and events generally dominant, followed by crime and safety.
<b>Impact of downturn on income</b>	Equally distributed between those who don't foresee reduction in income and those who do. Reduction coming mostly from cuts in LA/RDA grants, but also reduction in voluntary payments and in levy collection rate	6 out of 8 expect/have experienced reduction. Mostly LA contribution (grants and co-funded projects), but also sponsorship and voluntary contributions and lower levy collection rate. Other 2 funded 100% by levy, regarded as secure	All 3 predict/have felt some impact on income, mostly from LA co-funding of projects and sponsorships and voluntary contributions. Fear of reduction in levy collection rate	13 out of 17 predict/have felt reduction. As for MP, impact on LA funding/co-funding, sponsorship and VC, and fear of impact on levy collection. Other 4 are either 100% levy-funded or have just renewed with larger levy base that makes up for other reductions
<b>Impact of downturn on BID activities &amp; services</b>	No impact on the BID activities is expected, even if some adjustment might be needed	6 out of 8 do not expect any impact on agreed programmes, apart from small readjustments. 2 expect impact as their main marketing/safety programmes are linked to LA co-funding	2 see some redefinition of the services they perform, back to the core cleaner, safer and better agenda. The other see opportunity for expanding as businesses contract operating costs	10 out of 17 expect an impact on service delivery, especially in marketing and events, which depend on a larger extent on sponsorship. Special cleansing services relying on co-funding were also mentioned. Other 6 were impact is not expected have 90% or more of their core funding from secure sources (levy or signed sponsorship contracts)
<b>Impact on Baseline LA services</b>	6 out of 8 expect reduction in baseline LA services, esp. street cleansing and maintenance. Of the other 2, one has mainly non-adopted roads and doesn't depend on LA, the other is more a self-funded CCTV operation	7 out of 8 expect reduction in baseline services. Most cited are cleansing and waste services, followed by policing and specific co-funded projects. The 8th is a newer BID, with more recently drafted agreements	Varied, with 2 expecting a reduction in match-funded projects in crime and safety, transport and cleanliness even if not yet present. The 3rd does not expect reductions	13 out of 17 expect some reduction. CCTV, street cleansing and maintenance, policing, waste and co-funded projects (rangers, events and signage). Of the other 4, 2 are small BIDs with a limited range of services, the other 2 are larger but newer BIDs, with more recently drafted baseline agreements
<b>Challenges in near future</b>	Varied range of issues, including keeping businesses informed and on board, maintaining services and baseline services to justify additionality and prove value for money. Success of re-ballot was also an issue	Similar to IA and also resisting pressure from LA and large multiples for BIDs to assume LA and Police functions, ability to attract match funding for larger scale projects and securing voluntary contributions	Similar to MC	As with MC, plus facing competition from other town centres and retail parks, keeping local businesses healthy



The paragraphs below discuss the survey findings for each category:

**1 Industrial Area (IA) BIDs** are smaller BIDs in terms of income, with a much more focused agenda in which concerns with crime and safety dominate (this includes environmental crime such as fly-tipping, graffiti). Some of them extend over a number of non-contiguous industrial estates. In general, they tend to be funded exclusively by levy monies although some have benefitted until recently from Regional Development Agency (RDA) economic development and regeneration funding. Key issues that seem to emerge from the survey are whether there is scope for service diversification beyond crime and safety and for engagement of property owners (especially since ownership in industrial estates might be more concentrated and less fragmented than in retail centres). These BIDs seem to be more sensitive to variation in vacancy rates associated with economic slowdown (reduced ability to compensate for this). There is some concern with the impact of potential reduction in local authority street cleansing and maintenance services, and its knock-on effects on levy-payers' perception of additionality. As with other types of BIDs, the need to keep business informed and on-board in a period in which the value for money of BIDs might become less obvious – and the potential impact of this on re-balloting is perceived as a significant challenge.

**2 Metropolitan Core (MC) BIDs** include the largest BIDs in terms of income and the most important strategically for the health of metropolitan economies. Therefore, the issues they address might have a much wider impact than just their local areas. Many of them are specialised, formally or otherwise, covering only offices or retail or leisure uses. Reflecting this, they tend to have an agenda in which marketing/events is prominent, and as prime locations they have managed to generate income from sponsorship, sale of services and/or property owner contribution. Some have secured public sector grants and/or match funding from local authorities or other sources of public money to help fund delivery of services. This is reflected in the concerns and expectations expressed in the survey. Due to their more diverse funding base MC BIDs are more likely to have seen some reduction in overall income as local authority contributions and co-funding of projects decreases or disappears altogether, and voluntary sponsorship for events becomes more difficult. However, there does not seem to be an expectation that BIDs programmes will be affected. This might be related to the relatively large size of these BIDs, the economic robustness of their areas and their ability to reallocate resources across programmes to respond to changing circumstances. As with all other BID types, there is a prediction that there will be a reduction in local authority services, especially in street cleansing, waste removal, as well as a reduction in policing. This is likely to raise the issue of additionality and the extent to which BIDs should take on local authority and police functions. Many of these BIDs have developed a complex menu of services to their constituency, with equally complex funding arrangements, and a key challenge seems to be how to secure voluntary contributions and match funding for more ambitious projects.

**3 Metropolitan Periphery (MP) BIDs** cover suburban town centres within metropolitan areas. At the end of 2010, only London and Birmingham had BIDs that would qualify as MP. Their size varied considerably depending on the size and importance of the suburban town centre concerned, with the largest being not too dissimilar from a metropolitan core BID in many regards, and the smallest akin to a Town Centre BID. In general, they are multi-sector BIDs and deliver a range of services similar to those of MC BIDs, funded mostly by levy contributions but also voluntary contributions, sponsorship, grants/match funding and sale of services. Consequently, the expected impact of the recession and public sector spending cuts is similar to MC BIDs. However, these are in many cases less resilient locations than the core business areas, and to different degree face competition from other nearby town centres within the metropolis. There is an expectation of some impact on income in the near future as additional income (grants, sponsorship and voluntary contributions) decreases, although most see their core services remaining unaffected. In less resilient locations, there is also some fear of a reduction in the levy collection rate. The impact is expected to be greater in services additional to their core agenda, which have been added over recent years. There is also some concern about reduction in public sector funding for projects. As with MC BIDs, there is an issue about whether BIDs should take over services and activities previously delivered by local authorities and other public bodies, whether this would compromise the independence of BIDs and the idea of additionality, or whether it would present an opportunity for expansion and for becoming more relevant to levy-paying businesses.

**4 Town Centre (TC) BIDs** are the most numerous and cover town centres in smaller cities and towns. They are as varied as the towns and cities where they are located, but typically have a yearly budget of between £300,000 and £500,000, although smaller and more remote towns will have less and some large towns/cities with regional economic importance and/or in more prosperous regions will have more. TC BIDs rely primarily on levy income, with sponsorship, sale of services and voluntary contributions typically not adding more than 20%, with a few exceptions where there are significant grants or where the BID act as contractors for the local authority in the delivery of services (typically street trading licensing, CCTV operation, etc.). As with MP BIDs, TC BIDs cover the whole of the central business area in their locality and therefore represent a wide mix of small and large businesses of different kinds, with variable resilience in face of economic downturns. Most TC BIDs expect some reduction in income, especially in the form of reduced support from their local authority, decline in sponsorship and in voluntary contributions, as well as difficulties in levy collection. This is expected to have an impact in some BIDs services, especially events and marketing for which sponsorship has been extensively used. Similarly, some reduction in current level of local authority services is expected, from CCTV operation to street cleansing and maintenance and waste collection. The main challenges for these BIDs seem to be how to face competition from other locations in a context of reduced ability from businesses to improve their trading environment, especially as many of these TC BIDs include large number of small, independent, but also vulnerable businesses, for whom external support makes a considerable difference in their prospects.

These findings suggest a number of issues that should be explored in more depth in interviews with BID managers and other key stakeholders. These issues have informed the selection of cases for the next phase of the study. They are, firstly, an understanding of the main motivation for the formation of a BID and of how successful it has been in addressing those motives, from both the perspective of levy payers and the local authority, which has confirmed its key role in the setting-up and operation of BIDs. This will provide a way of understanding the context in which a BID operates, the relationship between the BID and its key stakeholders and how both might have been affected by the recession and public spending cuts.

Secondly, the more detailed exploration of the impacts of economic recession: how the BID area has been affected, what kinds of businesses have suffered most and how in turn this has affected the BID. It also involves understanding the potential impact of the recession on BID income and its different sources, with a particular attention to non-levy sources and especially voluntary contributions from property owners. Finally, it involves understanding how variations in income might have affected the delivery of BID services and how this issue has been dealt with.

Thirdly, there is the issue of the impact of local authority spending cuts. This involves exploring the role of and relationship with the local authority in the formation, running and funding of the BID. It involves also investigating the prospects of reduction, change or restructuring of public services relevant to the BID's activities, how that affects what the BID does and how it is perceived, and what are the strategies BIDs have adopted to cope with the situation.

Finally, the fourth set of issues relates to the challenges and opportunities BIDs will have to face in the near future. This includes an exploration of the main challenges and threats but also the main opportunities for growth and consolidation.





## 5.1 Selection of cases

Ten BID areas were chosen for the case-study phase of the research. The selection followed the criteria below and the actual cases were confirmed with UKBIDs as representative of the widest possible range of context and situations.

- Three cases of Metropolitan Core (MC) BIDs, differentiating between London (1) and other major English cities (2), and exploring different business bases (office, retail, leisure): Metropolitan core areas have their own economic dynamics, linked to a wide geographical area (in the case of London, of global proportions), with a particular pattern of businesses and of property ownership.
- One Metropolitan Periphery (MP) BID: Most of these are in London, and therefore one case should suffice to allow the research to explore the challenges for town centres in suburban areas in complex competition-complementarity relationship with core locations and other suburban centres.
- Four cases of Town Centre (TC) BIDs: a retail centre located within a prosperous region where impact of recession might be less strong, two others from areas where the economy might be less strong and which are under threat from competition from other centres/ shopping centres, a fourth from a more remote regional centre with a vulnerable economic basis.
- Two cases of industrial BIDs: one in London/Southeast, the other in the north of England or the Midlands, one which has benefitted from significant RDA/local authority grants, other with mostly levy-based income.

The full list of cases and a short rationale for the choice are shown in Table 4. Their location is shown in Figure 2.

**Figure 2**

**Location of case studies**



### Case Study Location

- 1 Albion
- 2 London Riverside
- 3 Truro
- 4 Rugby
- 5 Blackpool
- 6 Bury St Edmunds
- 7 Kingston upon Thames
- 8 Nottigham Leisure
- 9 Birmingham Retail
- 10 London Bridge

**Table 4** The cases and rationale for selection

BID	Region & Local Authority	Type	Size <sup>1</sup>	Annual Budget	Non-Levy income	Rationale for selection
Team London Bridge	London Southwark	MC	317	£1,000,000	13%	London MC-type BID, office dominated (67% by number, 96% by RV), headquarters with national & international significance
Retail Birmingham	West Midlands Birmingham	MC	420	£1,200,000	56%	Very large retail-based MC BID outside London, with national importance and significant contribution from property owners
Nottingham Leisure	East Midlands Nottingham	MC	266	£370,000	30%	Largest evening economy-only MC BID, with wide regional significance
Kingston upon Thames	London Kingston	MP	892	£1,000,000	20%	Large London suburban BID, with clear complementarity/competition relationships with central London and local centres, with portfolio of services contracted out to and from the Local Authority
Bid4Bury	East of England St Edmundsbury	TC	380	£350,000	5%	Smaller, recent Town Centre BID in a prosperous area, recently set up and still in process of consolidation
Blackpool	North West Blackpool	TC	802	£400,000	35%	Large town centre BID, with strong leisure component, in area with structural economic problems, and running on a social-enterprise model
Rugby	West Midlands Rugby	TC	462	£850,000	28%	Town centre BID with regional function in competition with several nearby BID-managed town centres, with safety focus
Truro	South West Cornwall	TC	418	£290,000	9%	Important regional and local town centre BID, with good spread of uses but in remote location and facing competition for regional position, with focus on marketing
London Riverside	London Havering	IA	272	£140,000	23%	Large industrial area, crime reduction-focused BID with history of significant grant from local development body (LTGDC)
Albion BID	West Midlands Sandwell	IA	123	£170,000	0%	Crime-reduction focused industrial area BID with mostly levy-only income, in second mandate

<sup>1</sup> Number of hereditaments

## 5.2 Interview data

For all of the ten cases, interviews were sought with the BID manager and the relevant local authority person. These were semi-structured interviews of up to 1¼ hours, face-to-face in the majority of the cases. The full outline of the interviews is in Appendix 4.

The case study stage of the study sought to obtain enough information to provide answers to the research questions presented in section 2.3 above. These refer to the following:

- The justification for each BID, its ability to add value for the main stakeholders and the potential effect on both of the downturn and public spending cuts.
- The impacts of recession and spending cuts on BIDs' finances, their sources and BIDs ability to deliver their core programmes.
- The strategies BIDs have adopted to deal with those impacts.
- The medium- and long-term implications of recession and spending cuts for BIDs as a public realm management model and for the urban areas they manage.

With this purpose, case study information from documents and interviews was organised according to seven headings. They cover firstly the main motivation for the formation of each BID, how successful it has been in addressing those motives from the perspective of both levy payers and the local authority, the two main stakeholders. An examination of how the main agendas for each BID have emerged, what they contain and how effectively they have been delivered should provide a view of how successful each BID has been, how much of a part of the local governance landscape it has become and what are the challenges it might face.

Secondly, there is the issue of funding and the nature of sources of income for each BID, especially voluntary contributions and other non-levy income. Although the BID model has as its core a relative security of income through the compulsory levy, there has always been an expectation that BIDs would generate additional income from other sources to complement the levy and enable BIDs to play a larger role in the management of their areas. Understanding how the cases are actually funded should lead to a better view of which areas of BID activity are more exposed to fluctuations in the economy and therefore how resilient the BID as a whole might be.

Thirdly and fourthly, this study seeks to understand the impacts of recession and spending cuts on BIDS and these two issues were directly addressed in the interview. The third heading covers the current and expected impact on BID income, whereas the fourth heading looks at the impact on the different activities and services each BID undertakes. Together these two headings should give an accurate picture of how BIDs are being affected by the recession and spending cuts, and whether or not there might be more permanent changes in what BIDs do and how they operate.

The fifth heading encompasses the strategies each of the cases has had to adopt to face any reductions in income or difficulties in achieving the objectives set out in their business plans. These coping strategies should reveal any changes in the nature of BIDs and the roles they play brought forth by recession and spending cuts and help illuminate new areas of activity that might become important in the future.

Finally, the sixth and seventh headings refer to the challenges and threats facing each BID individually and the BID model as a whole, but also the main opportunities for growth and consolidation of BIDs as public realm and area management organisations created by a contraction of the state.

The following set of tables (Table 5) summarises the responses for each of the 10 cases. This is followed by a comparison of interview data across cases (Table 6).

**Table 5** Summaries of interview responses

## Blackpool

### Case Description

- Town Centre BID, 800 hereditaments, annual income of £400,000.
- Mix of retail, services and leisure business, large number of small businesses.
- Originally a Pilot Bid, set up in 2005, has recently re-balloted (Aug 2010) with an 89% majority (although low turnout).
- Safety and Marketing taking up 50% of the expenditure, management costs around 15%.
  - BID holds the National Business Information System with security information for retailers, runs Retail Radio Link and Pub Watch and employs town centre wardens and a small street cleaning team providing quick-response cleaning.
- Levy covering 80% of budget (£320,00 pa) (1% fixed, all ratepayers, 0.7% for businesses inside the Hounds Hill Shopping Centre).
  - 20% subscriptions and rentals for crime initiatives and radio links.
  - Variable funding brought in through the BID's social enterprise status (another £240,000 predicted for 2010-11) funding both management costs and projects (e.g. care for homeless, shelter for street drinkers).
  - Contribution from property owners in original budget, but it never happened and was not pursued (Hounds Hill owners promised support but went into receivership).
  - Contribution in kind from Local Authority (LA) (premises, salaries, levy collection, 6-month advance on levy payment secured against levy from council property in BID area).

### Background

- Extreme disparities of income within and around BID area, with high proportion of worklessness (20,000 people or 25% of the working age population).
- Big seasonal differences: locals in winter, mostly lower income, little use of town centre in the evening; 10 million visitors/year in the summer, mostly gravitating towards seaside, but issues with alcohol consumption and concentration of the homeless.
- BID evolved from town centre forum with strong LA involvement, including personnel.
- Regeneration programmes and new Masterplan introducing changes to town centre, as well as competition from elsewhere leading to first BID (ability to attract resources).
- Large nationals and smaller local independent businesses, the latter the majority and more involved with the BID. Levy contribution 60/40 respectively. Most national retailers now in the new Hounds Hill Shopping Centre, with former premises remaining vacant or filled in with low grade businesses.
- Good relationship with council, although improved after re-ballot to more of a partnership. BID as effective conduit between local authority and businesses, and active supporter of the Local Enterprise Partnership (LEP) and casino bids. However, more recently BID has had a more operational focus, and has become less involved in strategic decisions about the city centre.
- BID reputation based mostly on reassurance against crime and anti-social behaviour.
- Some disagreement with local authority about effectiveness of BID-led events agenda, whether quality of event or quantity of participants should be prioritised.

### Recession and impact on BID area

- Recent BID survey shows 14% vacant premises (26% in other surveys).
- Crisis coincided with opening of Hounds Hill Shopping Centre and impact of recession was not immediately felt. Pent up demand for a shopping centre hold up footfall and sales for a while.
- Recession increasing bankruptcies, especially amongst smaller businesses. Regeneration works in town centre at the same time have exacerbated problems (road closures, relocation of bus stops). However, last year has seen growth again and revamped town centre helps (including new public realm work).
- Although still early to assess impact of cuts, council redundancies (about 5,000 over next 3 years of a working population of 80,000) in an area heavily dependent on the public sector will affect wintertime trade, less reliant on tourist and more on the local population. LA will be cutting 10% of their budget, but in fact more than half of the budget for services which are not protected such as education.
- Regeneration projects grounding to a halt. Although this might be a short term benefit as it will do away with the building site character of much of the centre, it will be a problem in the long term.
- However, potential benefits from recession through increase in 'staycation' (i.e. holidays in the UK rather than abroad).



## Blackpool continued

<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>Levy rate came down from close to 1.4% of RV (indexed for inflation) to a flat 1% for 5 years, as a way of securing successful re-ballot. However, increase in BID area with the tower should make up for shortfall.</li> <li>Removal of part-funding for wardens programme (Future Jobs Fund – DWP), and removal of FJF for cleaning team (both now fully funded by the BID).</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>Diversion of cleaning team to basic upkeep of empty properties (cleaning and basic repairs), so that they don't look shabby. Also, cleaning team making up for reduced Council cleaning services.</li> <li>Reduction of CCTV services by Council (now 4 days a week and daytime-only operation).</li> <li>Council transferred the running of events from their tourism body to BID with some resources to run those events. Other events will be scaled down.</li> <li>Reduction of the role of wardens (previously loaned to council for events and tourism-related activities, now concentrated on basic security issues to make up for cuts in policing in town centre, and especially the loss of 6 council-funded PCSOs).</li> <li>Termination of council-funded capital projects in town centre which provided platform for BID to pursue its objectives (e.g. new pavements).</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>Less detailed business plan for the re-ballot to allow for changes in a rapidly changing environment. Also more focused on the security and cleaning issues which are rate payers' priorities.</li> <li>Exploring cost-neutral strategies for BID, especially recycling joint procurement.</li> </ul>
<b>Opportunities and challenges</b>	<ul style="list-style-type: none"> <li>With cuts and changes in the local authority BID has acquired a higher standing, both as a social enterprise and as business representative: invited to regeneration and other boards, recognised as a channel of communication with town centre businesses</li> <li>Shaping town centre profile by speaking to potential new occupiers for empty business premises (in partnership with Council).</li> <li>BID perceived by many local business as a conduit to the police and the council.</li> <li>Benefits of BIDs becoming clear and business outside the area are asking about safety and cleaning services.</li> <li>The social enterprise status is crucial: it has allowed access to significant funding pots and partnerships with other CIC or social enterprises.</li> <li>Challenge in trying to capitalise on all the regeneration investment already done through future private sector investment, especially without new regeneration funding. Some is happening (e.g. investment in Blackpool Tower).</li> <li>BID has been relatively successful in dealing with the retail environment, but a lot still needs to be done with the evening economy and the conflicts it generates with daytime users of the town centre.</li> <li>LA perceives a bigger role for BID in co-ordinating the activities of businesses to attract people to the town centre. Cleaner, greener and safer activities are important but more strategic promotional strategy is required.</li> <li>Issue of poor quality shops and need of concerted effort to improve quality of shops and efficiency of businesses. Council did some work in the past but can no longer afford it.</li> <li>From the LA perspective, BID has so far relied on the local authority to do strategic work while BID does operational, day-to-day interventions, but it might have to take over some of the strategic, structural work as public sector regeneration programmes become less available.</li> </ul>

<b>Truro</b>	
<b>Case Description</b>	<ul style="list-style-type: none"> <li>• Town Centre BID, 400 hereditaments, annual income of £290,000.</li> <li>• Mix of retail, services, leisure and public sector (retail representing 63% of businesses and 73% of levy). Large number of small businesses and a few very large multiples.</li> <li>• Set up in 2007 (63% majority and 53% turnout).</li> <li>• Marketing and Events (specially Christmas lights) as main activities taking 45% of approved budget but 65% of actual spend, management costs 30%. <ul style="list-style-type: none"> <li>– Autumn music and Spring arts festivals, marketing campaigns, website.</li> <li>– Floral displays (city council as contractor for BID), shop mobility (contracted out), signage work planned (with Cornwall Council and EU convergence funds).</li> <li>– Joint management of public space with the city council (Lemon Quay).</li> </ul> </li> <li>• Levy covering 91% of income (260,000 per year) (1%, threshold of £10,000). <ul style="list-style-type: none"> <li>– Public sector contributions 4%.</li> <li>– Sponsorship 2%.</li> <li>– Landlord contributions 1% (more predicted in budget).</li> <li>– Earned income 2%.</li> </ul> </li> </ul>
<b>Background</b>	<ul style="list-style-type: none"> <li>• Large number of small retailers of low and high value, in small retail units, 20% turnover.</li> <li>• Historically one of the lowest crime rates and winner of cleanest city in UK award.</li> <li>• Main issue has been converting daily and seasonal flux of people into town centre into customers of local businesses: <ul style="list-style-type: none"> <li>– 14,000 daily commuters into Truro (population of 21,000), 3rd highest % in UK, with congestion in the morning and evening. Strong lunchtime trade but little at other times.</li> <li>– 5 million stay visitors and 10 m day visitors in Cornwall per year. Truro not picking up much of that population.</li> </ul> </li> <li>• Navigability of town centre (small, narrow alleys) leading to extremely concentrated footfall.</li> <li>• Incipient evening economy.</li> <li>• Competition from Exeter and Plymouth and potentially other Cornish locations in a context in which retail catchment areas are large (explaining disproportionately large multiples).</li> <li>• Good relationship with new City Council, which funded the BID set-up process, but patchier with Cornwall Council (the former county council).</li> <li>• BID success closely linked with the successful funding and implementation of the Christmas lights: funding for it had always been uncertain and difficult.</li> <li>• Success of city centre BID leading to an industrial BID just outside Truro.</li> </ul>
<b>Recession and impact on BID area</b>	<ul style="list-style-type: none"> <li>• Some closures of businesses, although Truro ranked as 9th lowest retail vacancy site in the country, with strong demand for space. There have been business failures, but empty shops are filled quickly, with no long term vacancies.</li> <li>• Large number of public sector jobs (6,000 out of 20,000), with likely redundancies and subsequent impact on local economy.</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Collection rates still at 98.9%, so far no impact on income, but voluntary contributions and sponsorship will become more difficult to obtain.</li> <li>• Delays in transfer of EU grants by County Council.</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• Because BID was not predicated on the basic 'cleaner/safer/greener' agenda but on marketing and events, which the council was not providing, it does not have a baseline that might be affected by cuts in those services.</li> <li>• 24/7 monitoring of CCTV funded by Cornwall Council was ceasing on 01/04/2011. Although BID would not be able to fund this, it might decide to do it instead of funding e.g. shopmobility. This is currently under discussion but risks are large.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• BID has stuck with the 2005 business rates rather than adopt the recent reassessment.</li> <li>• Spending items within Business Plan were rearranged: far more going to Christmas lights, less on marketing. Also, expenditure in some areas was delayed waiting for external funding (website, signage).</li> <li>• New areas of activity (e.g. role in managing and setting parking rates).</li> <li>• Arranging joint procurement of energy for levy payers as part of a cost-neutral approach to justifying the BID.</li> </ul>

## Truro continued

### Opportunities and challenges

- Local authority restructuring (abolition of county/district councils) with changes in thinking about town centres and services.
- Large development proposals outside Truro might affect town centre, and currently Cornwall Council hasn't defined whether it wants the growth to happen in Truro or elsewhere.
- Success of Truro BID leading to model being spread to other places in Cornwall, but risk that the council might be promoting BIDs to fill gap from reduction in public services.
- Cuts will force everyone to reconsider what local authorities should provide and BIDs might have to think again about what type of services they will fund. Council is discussing cuts in salting and gritting of roads in the winter, on maintenance of public conveniences. These have been traditionally council services, but as there will be much less funding for them, BID will have to consider whether or not it will be prepared to take over some of the funding.
- Success so far closely associated with one or two initiatives, especially the Christmas lights. However, because of the cuts the remit might have to be wider. There are also issues of long term maintenance of the lights and other capital investment that need to be considered in the future BID 2.
- More cost savings initiatives through a Truro buying group, buying services at lower costs for levy-paying members (electricity, waste disposal). However this is likely to benefit smaller business rather than nationals that do this through their head offices, raising issues of internal subsidies and risk of increasing division within BID.
- BID has achieved credibility as representative of local businesses and has been heard on strategic issues regarding planning proposals, traffic and accessibility, policing. However, because of this some tension with the Chamber of Commerce.
- Local authority would like to see BID helping the new industrial BID as this is small and might not have enough resources to fund its own management structure. Opportunities and challenges in cooperation.
- Local authority would like to see the BID more involved in operational matters, i.e. service delivery, rather than just commissioning of services. However, risk of taking over council services as contractors as Plymouth did (car parking, street cleaning) when the council decreases funding to them: blame falling on BID. Also, BID 5-years term conflicts with long-term planning required for services.
- 5-year BID budget provides certainty, but can become a problem when the environment changes and resources need to be allocated in any substantial way. LA's annual budgets give them more flexibility to reallocate resources. Challenge is how to cope with a changing economic environment.

<b>Rugby</b>	
<b>Case Description</b>	<ul style="list-style-type: none"> <li>• Town Centre BID, 460 hereditaments, annual income of £850,000.</li> <li>• Mix of retail, offices and leisure. Mostly small independent business with a few larger national chains (including one large national supermarket).</li> <li>• One of the pilot BIDs (2005), has recently re-balloted (Jul 2010) with a 75% majority on a 55% turnout.</li> <li>• Crime and safety (CCTV and Rangers) taking 55% of expenditure, management costs around 25%. <ul style="list-style-type: none"> <li>– 24/7 state-of-the-art CCTV monitoring with 7 staff and 50 cameras, linked to Shop Net and Pub Watch radio connection, with central control room.</li> <li>– 7 Rangers with crime/security and customer services duties .</li> <li>– Cleaning team with own equipment for quick response in public and private property (10% of budget).</li> <li>– Marketing campaigns, events and loyalty card.</li> </ul> </li> <li>• Levy covering 72% of budget (£620,00 pa) (banded, varying from 2.5 to 5.5% of RV, threshold £7,300). <ul style="list-style-type: none"> <li>– £230,000 pa voluntary contributions (from the Council towards the CCTV control room, which is outsourced to the BID, and from businesses outside the BID area that pay the BID to monitor their CCTV. Also from businesses under the threshold who want the service). No contribution from property owners (high fragmentation and absenteeism).</li> <li>– £15,000 pa other income.</li> </ul> </li> </ul>
<b>Background</b>	<ul style="list-style-type: none"> <li>• Long standing issues of crime and safety (antisocial behaviour, shop lifting) and cleanliness (graffiti, chewing gum, bird droppings) leading to council backed town centre company and later to BID.</li> <li>• Rugby as a small market town, with few national shops. Customer base is mostly local, for daily shopping needs. Large shopping done in the bigger cities nearby (Leicester, Solihull, Northampton, Birmingham).</li> <li>• A large number of independent businesses and a few national chains, a street market and niche retailers with a small café society.</li> <li>• Re-balloting at a very difficult time, but success proving the desire from business to continue with BID services.</li> <li>• In the 1st BID small businesses were more supportive of BID than larger nationals, but equal support from the latter in the re-ballot.</li> <li>• Differing needs from levy payers e.g. services concerned with cleanliness, national retailers with CCTV and the rangers project.</li> <li>• Good relationship with council (in receipt of funds to run the CCTV scheme, mediating grants to new businesses trying to set up shop).</li> </ul>
<b>Recession and impact on BID area</b>	<ul style="list-style-type: none"> <li>• Many independent businesses have been struggling. Vacancy rates are still below national average at about 6%, but sales are much lower. New businesses especially are being badly hit. This is still going on.</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Impact not significant in terms of income reduction (but BID has forfeited the extra income from the business rates reassessment in order to secure success in the re-ballot).</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• As all BID services are different from and additional to what council does, so far no impacts on services. A service level agreement is in place and it would be politically difficult to the council to reduce baseline services (especially as regards cleaning).</li> <li>• The only significant impact would happen if the council cut their contribution to the CCTV operation, but this is not going to happen during for this BID term (up to 2015) as the money has been secured in a deal with the council.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• During recession, effort to try and get customers to shop locally, and at the same time find ways to save money for businesses.</li> <li>• New BID decided to keep the old business rates and not apply the reassessment. This might have meant the loss of another £100,000 pa in revenue, but in a difficult time it might have compromised the success of the re-ballot.</li> <li>• Strategy for re-balloting based on reminding businesses what the town looked like before the BID, stressing that issues would return if BID was not approved.</li> <li>• BID acting as the voice of town centre business to make sure council cannot reduce services and doesn't act against the interests of the businesses.</li> </ul>



## Rugby continued

### Opportunities and challenges

- Exploring further marketing activities to generate footfall, especially among local customer base.
- Activities that reduce costs to businesses: There is already a BID insurance scheme in place, with Allianz providing a competitive quote to BID members because of reduced risk of crime, and a rebate on the levy paid back through the BID.
- Other similar initiatives looking at joint procurement for cardboard recycling.
- BID now regarded as the representative of town centre businesses. This has allowed it to negotiate successfully with the council on behalf of business interests e.g. parking policies and parking rates in the town centre.

## Bury

### Case Description

- Town Centre BID, 380 hereditaments, annual income of £330,000.
- Mix of retail, offices and leisure, with overwhelming dominance of small independent businesses (of around 600 businesses in town centre 40% are below the levy threshold), with one new shopping centre (the Arc) with national retailers.
- New BID, set up 12/2009 with a 60% majority but a low turnout (32%).
- Marketing and events taking up 65% of approved budget, followed by safe and security (over 30%) and environment and business support. Management costs not budgeted, and paid in kind by local council.
  - Actual spending differs from approved budget and focuses on street rangers (33%), Christmas lights and a few other events.
  - Rangers started in Nov 2010 (2), but have now been increased to 4. They tackle graffiti, litter enforcement, ambassadorial work. Subcontracted from Ipswich BID.
- Levy covering 97% of budget (£320,00 per annum) (1.75% of RV fixed, threshold of £10,000, including shopping centre tenants).
  - In Year 1 additional income from events of about £8,000.
  - Contribution from voluntary membership (business below threshold and property owners) included in budget but so far has not materialised. Developers of Arc shopping centre went into liquidation before they could contribute.
  - Contribution in kind from local authority (salaries, premises, levy collection), not budgeted.

### Background

- Disagreements within the BID leading to a new manager appointed in the beginning of 2011.
- BID did not evolve as a result of specific issues, but instead as a way of putting the previous voluntary Town Centre management company in a more formal and resilient funding position.
- Replacement of town centre management company, open to all 600 town centre businesses, with the BID, answerable to the 350 or so levy payers.
- Perception problem with BID, regarded by some as favouring a few large national multiples in the Arc Shopping Centre and not representing the interests of local small businesses. BID currently trying to reassess priorities with its constituents.
- Ambiguous relation with the Council: it is the biggest levy player, provided support for setting up the BID, but relationship has cooled down as BID underwent difficult phase.
- Initial set-up concentrated decision-making power in 12-strong board slowing down BID interventions. Now more operational decisions transferred to manager.

### Recession and impact on BID area

- BID set out during recession, but recession has had relatively little impact. Vacancies are at 6%, footfall has increased, but for individual businesses the situation is worse than in the past, and for very small businesses the chances of failure are greater.

### Recession and Cuts: impact on income

- Council has removed all funding for Christmas lights, which are now funded entirely by the BID.
- Past council contribution to town centre management has not been entirely transferred to BID.

## Bury continued

### Recession and Cuts: impact on services

- No service has had to be reduced yet, but Council has been reluctant to sign up to any baseline service agreement before they understand the implications of any cuts they might have to make.
- Increase in number of waste bins in town centre might have to be fully funded by BID as local authority will not invest in it.
- Police has reduced patrols in town centre.

### Coping strategies

- First year activity of BID has focused on the needs of retailers, as the largest group, but this might have alienated other levy payers.
- BID has stuck to the 2005 rate values as a way of reducing the costs of the BID to businesses.

### Opportunities and challenges

- Many levy players feel that the ballot that voted the BID through was not representative, represented only 60 or so businesses, and that result was biased towards large national retailers coming to the Arc shopping centre. Main challenge is to persuade BID constituency that this is not the case and that BID can offer them advantages, and also that smaller BIDs below the threshold can benefit from its activities.
- Investment in Rangers has yet to be perceived as positive by BID constituents.
- Big untapped opportunity for BID to spread its benefits for the whole of its constituency might be the business support item of its business plan, which so far has not been acted upon. Potential for joint procurement, etc. However, BID should be 25% about opportunities to save money and 75% about improving business environment.
- BID wary that council might perceive it as a way of divesting its own services without corresponding funding. It has done so with the Christmas lights and wants the BID to pick up the full remit of the extinct town centre management.
- Making BID4Bury a successful brand will attract other kinds of funding, including voluntary contributions and council resources.
- Current situation of BID allows local authority to ignore the views of the BID when implementing decisions that affect town centre businesses. Recent increase in parking charges, opposed by the BID and the Chamber of Commerce is a case in point.

## Kingston

### Case Description

- Metropolitan Periphery BID, 900 hereditaments, annual income of £1,100,000.
- Mix of retail, offices, leisure and public buildings (the courts, Kingston University and County and District council offices). 60% of businesses (and income) is retail. Large number of independent businesses, 2 covered shopping centres (Bentall Centre and Evermont) with national stores. First BID in the UK (2004), successful re-ballot (July 2009) with a 70% majority and turnout of 42% (regarded as good given large number of businesses).
- Marketing and Cleansing/Greening taking 30% each of expenditure, management costs 20%.
  - Marketing includes events and Christmas Lights.
  - Cleansing/Greening includes street Rangers, own street cleaning, machines, graffiti removal, pest control (esp. pigeons), waste recycling, private alley cleaning, street furniture.
  - Also Safety/Security (crime reduction manager, night-time manager, CCTV and radio system for Pub Watch and Business Watch, training) and transport/Access (minicab kiosks, Christmas Park & Ride).
  - Capital investment projects in partnership (pedestrianisation – 5% BID, 95% Council/TFL).
  - New service areas transferred from local authority (running the Market House, the Market Place public space, street markets and tourism).
- Levy covering 80% of budget (£850,000) (1% corrected annually for inflation up to 3% including shopping centres tenants).
  - Around £68,000 pa from original TCM core funders (property owners) and Council to pay for management costs and joint projects.
  - £250,000 revenue from the services managed on behalf of council. Council transfers part of their budget and BID retains most of revenue – all in some cases).
  - Additional non-monetary contributions from local council (3-month advance credit on management costs).
  - In 2010 operational profit of £400,000.

## Kingston

<b>Background</b>	<ul style="list-style-type: none"> <li>• Closure of manufacturing industry along the river in the 1980s led to strategies to redefine Kingston as a retail centre (the 15th in the UK in 2005).</li> <li>• BID evolving from TCM company funded by public and private sector (property owners and anchor tenants). Company membership expanded to 130 members in 2001 raising around £250,000 per annum, but to go further and get contributions from the other 600 businesses the BID was seen as the solution.</li> <li>• Decline in footfall 2000-2005, with opening of Bluewater SC and improvements in competing centres (Wimbledon, Sutton, Bromley and Epsom), reversed with BID.</li> <li>• Increase in crime and violence in same period (although Kingston remains one of the safest London Boroughs), also reversed with BID.</li> <li>• 2nd BID being planned as Westfield SC opened.</li> <li>• TCM involved in town centre 20-year masterplan, which provides strategic direction for BID.</li> <li>• Board with 23 to represent different rate payers and negotiate conflicts between different types of BID constituents.</li> </ul>
<b>Recession and impact on BID area</b>	<ul style="list-style-type: none"> <li>• Some store closures, but so far spaces have found new tenants, although with a 6-month gap. Currently 15 empty shops in the town centre of a total of 500. Most vacancies are in tertiary areas in the periphery, which saw sharp increases in rent in previous years as demand for space grew, and now have excessively high rents.</li> <li>• However, footfall has grown year-on-year since 2005.</li> <li>• Kingston took a hit with redundancies in the City of London in 2007/08 because many City and Canary Wharf workers live in Kingston. Now there are local job losses with redundancies in the County and local councils and the courts but impact is yet to be fully felt.</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Funding level has been agreed with local authority for 2 years (up to 2012) for the services transferred to the BID. Agreement includes discount on what BID should pay back because of its status as a not-for-profit company of up to 75%, which can be reinvested in areas where the transferred budget is insufficient. At the moment, there is a profit overall, but this might change next year.</li> <li>• BID 2 applying 2010 NNDR list, and the 8.5% increase in income more than makes up for any reduction in levy collection rates.</li> <li>• Cuts in funding in other projects where there was joint funding with local council (e.g. Park &amp; Ride, night time manager).</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• BID securing continuation of some services with cross-subsidisation.</li> <li>• Reduced council funding of some projects/services (e.g. Park &amp; Ride and visitor centre).</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• Extended campaign for re-ballot (from Nov 2007 to Aug 2009).</li> <li>• 2nd BID taking over council services as profit making opportunities (especially rental of premises and market stalls: better services at lower costs). However, this might be risky if they do not remain profitable. Transfer contracts with clause allowing for short-notice termination.</li> <li>• Effort to differentiate Kingston from other competing destinations, taking advantage of riverside setting and historic attractions. Taking over services from council as part of 'destination management'.</li> <li>• Cross-subsidisation of transferred council services (profitable ones subsidising less-profitable or those where council budgets had been cut e.g. Tourist Information Centre).</li> <li>• Possibility of reverting to core, levy-funded activities only if council cuts in service from 2012 are too severe.</li> <li>• Conversation with property owners in tertiary areas about viable asking rents.</li> <li>• Complex negotiations with local council involving neighbourhood committees to make sure baseline services cannot be reduced without significant political costs.</li> </ul>
<b>Opportunities and challenges</b>	<ul style="list-style-type: none"> <li>• Challenges in dealing with the local council because of different operational cultures: difficult to get decisions from council quickly, high turnover of staff and long and complex decision making structures.</li> <li>• If service transfer proves to be successful, there are opportunities for the BID to run more of what happens in the town centre, e.g. the whole of the cleansing operation, with savings that would allow for better services, cleaning, street furniture, whether or not funded by the BID or by the council or others.</li> <li>• BID role in developing and improving the town centre recognised by the council and other relevant local partnerships.</li> </ul>

Nottingham Leisure	
Case Description	<ul style="list-style-type: none"> <li>Metropolitan Core BID, 266 hereditaments, annual income of £370,000.</li> <li>Specialised BID covering licensed businesses only, and since 2009 coexisting with a separate retail BID in roughly the same area. National pub/restaurant chains and large number of very small businesses over a large area (55% of businesses).</li> <li>Set up in Dec 2007 with a 75% majority on a low turnout of 33%.</li> <li>In 5-year budget Marketing/Events and Safer/Secure taking up 60% of expenditure (40% on marketing), management costs around 23%. <ul style="list-style-type: none"> <li>In Marketing/Events advertising campaign, festivals (music, food), night-time ambassadors.</li> <li>Safer/Secure: mostly Taxi marshals on Friday and Saturday evenings.</li> <li>Also Business Services (12%, including Pub Watch, Best Bar None schemes) and Access (4%, including Taxi concierge).</li> </ul> </li> <li>Levy covering 70% of budget (£270,000 pa) (1.5% with annual 3.0 inflation, threshold of £1,000 RV, fixed on 2005 rate values). <ul style="list-style-type: none"> <li>19 % RDA grants, 5% other grants, 3% sponsorship, 3% earned income.</li> <li>Most grants involved match funding.</li> <li>Part-funding of projects by local authority not included as income (taxi marshals, night time ambassadors).</li> <li>Very low RV threshold to capture large number of small businesses scattered throughout the BID area.</li> </ul> </li> </ul>
Background	<ul style="list-style-type: none"> <li>Bad reputation for alcohol related crime and disorder leading to plans for an Alcohol Disorder Zone, but then replaced by a BID as a better solution (ADZ allows councils to levy extra charges from problem premises, but has never been used).</li> <li>Previously a voluntary town centre management partnership which had withered.</li> <li>Local authority undertook research in 2004 to check possibility of BID and the most pressing problems were night economy issues. The leisure BID appeared as the solution: all members have entertainment licenses.</li> <li>There was also the issue of competition from other places: Derby and Leicester have a growing night-time scene, and although smaller than Nottingham, they had been growing at faster pace. Also, some of the suburban areas in Nottingham have become leisure alternatives (e.g. West Bridgford, Woolaton), especially for the mid-30s market.</li> <li>Local authority funding for BID set-up (£125,000) through City Centre Management budget).</li> <li>Some issues with communicating BID activities to large number of very small businesses and inherent costs in meeting fragmented demands.</li> <li>Close connection with daytime Retail BID, with some joint work, but risk of competition for external funding as the Retail BID becomes established. Retail BID has a different budget structure in that it has little in the business plan that relies on availability of public funding. Leisure BID, on the contrary, relied on the council and RDA to co-fund some of its main activities.</li> <li>Relations with the council are now very good, although have not always been so, and for a time the council's perception was that the BID was not great.</li> </ul>
Recession and impact on BID area	<ul style="list-style-type: none"> <li>Significant impact of recession on night-time economy, with between 5 to 10% of members closing down. A few have reopened since and leisure businesses are recovering quicker than retail, but trading is still well below what it was.</li> <li>Food and drink, and entertainment as hardest hit sectors. 2009/2010 where worst years for town centre, with significant decline in footfall. Vacancies were not high for retail or leisure units in central core, but significantly higher in secondary and tertiary areas. Some impact in the managed shopping centres because of number of multiples that closed down at the beginning of the recession.</li> </ul>
Recession and Cuts: impact on income	<ul style="list-style-type: none"> <li>Decrease in levy collection rate. Hard for small businesses to find the money to pay.</li> <li>In the beginning of the BID a lot of emphasis on securing funding for taxi marshals: BID would pay for 2, city council for 8. In 2010 it was cut to 5 and 5 and now the BID has to pay for all 10, meaning the budget is now largely taken by this item (although BID original plan had marshals 100% BID-funded, albeit in smaller number). Money has had to be siphoned off other expenditure items.</li> <li>RDA will be disbanded, but there is a 3-year deal between the Greater Nottingham Partnership arm of the EMDA and the BID. Some funding for the 3rd year (2010/11) is still in place, although not yet known how much of the promised funding will be available. Funding for following year is unlikely.</li> </ul>



## Nottingham Leisure continued

### Recession and Cuts: impact on services

- BID board decided that some of the projects in original business plan were not suited to new economic climate.
- Council is not cutting basic services, but it has already cut its street cleansing budget, especially late night cleansing. BID is not involved with cleansing, but this will affect trading environment.
- Co-funding for events is also likely to be greatly reduced and this will affect e.g. Light Night event (no council budget for it in the future and likely to be cancelled). RDA money was also used to fund events, and there might be a reduction in that source.
- Siphoning off money to fully pay taxi marshals might compromise other projects the BID was expected to deliver (e.g. Best Bar None Award scheme, involving licensed businesses, the police and the local authority and focusing on reducing alcohol-related crime and disorder).

### Coping strategies

- Recession affecting BID just one year after it was set up and leading to change in agenda: business plan agenda and what is being delivered are not coincident, but will have to be reconciled for re-ballot.
- BID has kept 2005 rateable values, but some businesses have been negatively affected by this.
- £1500 shop refurbishment grant give by BID to businesses was stopped as spending the common pot on specific businesses was unfair, especially given recessionary environment.
- BID has assumed full funding of taxi marshals, a successful project, although there was resentment among levy payers as the LA previously paid for 8 of 10 marshals.
- BID looking at joint purchasing of waste service initially, and then energy as part of a cost-neutral strategy. When the BID was set-up, the idea was to put money in a common pot to provide some services, now with the changing financial landscape BIDs have to prove they do not cost extra.

### Opportunities and challenges

- City council is looking for things they can cut and the debate is whether these are useful projects that should be taken up by the BID to prevent them from ceasing altogether, or whether this is really what the BID is supposed to be doing, which is all around the issue of additionality.
- The 'rebalancing of the licensing act' proposals, currently under consideration allow local authorities to charge businesses a late night levy to pay for the extra costs of policing, cleansing and maintenance. This levy would be at the council's discretion and if set too high or too indiscriminately would make the BID unviable. Challenge for BID is to demonstrate it can control alcohol-related issues through its projects so that there won't be a need for that levy. A lot of the things the levy could be spent on (e.g. taxi marshals) are already done by the BID (this is being discussed between the Home Office and BIDs nationally).
- BID has become recognised as consultee in policy proposals affecting town centre, e.g. the licensing laws reform. Although businesses not always perceive BIDs in this light, some of the major chains have understood the BID can be a conduit to the council to sort out complex esp. strategic issues (e.g. new licenses).
- Nottingham, like Birmingham, has sectoral BIDs and this ensures that BIDs are focused on the needs of specific types of businesses. Differently from generic BIDs, they are less likely to become privatised city centre management through offering the pattern of services local authorities used to do. Service offered by BIDs will not be generic public services, but complementary services that offer specific benefit to the sector of business they represent.
- BID might have to become leading body in funding bids for public realm interventions as funding rules for public money change, rather than just delivery bodies with the LA as leading partners.
- LA cautious about growing role for BIDs, especially as they all depend on public funds and support in some way or another, for set-up or for operation. BIDs do marketing/events (i.e. economic development/inward investment) or clean/safe and in both areas it is difficult to see how they could replace LAs. Even for bulk purchase, LAs are bulkier, so partnership rather than gradual replacement is more likely.
- Review of the rating system might be a threat to BID as it is its main funding mechanism. Supplementary rates and funding of major strategic projects also a threat: LEPs and other new organisations with powers to levy charges to ensure improvements to infrastructure are privately funded will threaten BID levy.

## Team London Bridge

<b>Case Description</b>	<ul style="list-style-type: none"> <li>Metropolitan Core BID, 400 hereditaments, annual income of £1,000,000.</li> <li>Office-dominated BID (68% of businesses and 86%RV), with 10% shops (2%RV), 15% pubs and restaurants (4% RV).</li> <li>Re-balloted Nov 2010 for 2011-16 period, with 80% majority and high turnout (especially for RV), for slightly larger area.</li> <li>Safety/Street Scene (policing and street cleansing/lighting), Place Promotion (marketing/events) and Responsible Business (environmental and community projects) sharing 65% of expenditure in roughly equal proportion, management costs around 26%, remainder for networking activities and contingency. <ul style="list-style-type: none"> <li>BID does not have wardens, but instead funds extra police rounds.</li> <li>Funding/co-funding/acting as contractors in landscape improvements (paving, lighting, signage).</li> <li>BID as contractor for specialist projects/services charged against beneficiaries.</li> </ul> </li> <li>Levy covering 87% of budget (about £850,000) (1.05% of RV in 2010 list, annually indexed for inflation up to 3%, with a threshold of £10,000 and a levy cap at £50,000). <ul style="list-style-type: none"> <li>13% (£120,000 pa) revenue from capital projects/services at the request of businesses/property owners, or from co-funding of corporate social responsibility work with specific businesses, or procurement work for Guy's Hospital.</li> <li>Co-funding of activities with GLA, the police and the local authority.</li> <li>No regular voluntary contributions from property owners as such as they are still paying S106 monies that co-fund some of the BID's projects, but 2 of the 3 major landowners based in BID area and levy payers.</li> <li>Tenants of private estates paying both BID levy and (very high) estate service charges.</li> </ul> </li> </ul>
<b>Background</b>	<ul style="list-style-type: none"> <li>BID as part of the legacy of the Single Regeneration Budget (SRB)/City of London funded Pool of London Partnership to tackle dereliction and create a business district in both sides of the Thames. Strong business input in the PLP preparing the way for BID.</li> <li>Highly concentrated landownership. Most of the land part of 3 private estates (More London, St Martin's London Bridge City and Network Rail (Station and rail access routes). Spatial division of labour between BID and 3 estates, with the BID managing the surrounding environment in coordination with the internal management of the estates (e.g. estates with own security, BID funding extra police). However, BID in charge of corporate responsibility projects for all businesses.</li> <li>69% of levy payers with RV between £10,000 and £100,000, 91% between £10,000 and £500,000. Large support for BID amongst higher rate payers.</li> <li>Vast majority of levy payers tenants of the 3 estates, so some commonality of interests between smaller and larger businesses. Some conflict with small business under threat of relocation from station redevelopment.</li> <li>Borders of BID conforming to these landownership and occupancy patterns: difference in nature of business further south of the railway arches into Bermondsey (more eclectic, arty, did not see themselves as part of the same space) and that prevented the BID from expanding to the south. Big projects like the Shard might change that in the future.</li> <li>Main aim of the BID to improve the attractiveness of the area as a business destination. For BID 1 the clean and safe aspects were dominant. For BID 2, on top of that there is focus on the large development projects and the re-development of the station.</li> <li>Area currently focus of a number of large developments: the station, the Shard of Glass, the Quill (32-storey), the 3 Spires (56, 38 and 28-storey buildings).</li> <li>Good relationship both with GLA and Southwark council, both levy payers. Southwark had exempted themselves from BID1, but will be paying to BID2.</li> </ul>
<b>Recession and impact on BID area</b>	<ul style="list-style-type: none"> <li>Very little impact of recession on the BID area in terms of impact on businesses.</li> <li>Recession might have slowed down some development schemes, which should have been completed, but have remained as building sites for longer (e.g. Barclay Homes site near Tower Bridge, the PWC building in More London).</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>BID had anticipated the income from the new developments which were delayed, because of the recession. This resulted in less income for the BID for a year to 18 months.</li> <li>London BIDs, a GLA-funded support network is being terminated and BIDs will have to pick up the funding, although this is quite small.</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>Too early to talk about impact of local government cuts as local authorities have not yet announced. There are strict service level agreements in place, but cuts are likely to involve street cleaning. Uncertain also how the business community would respond, whether taking up the slack or not. Currently a mixed response to that.</li> <li>The same applies to the police, but the BID will not be putting extra funding as the levels or crime in the area do not warrant it.</li> </ul>

## Team London Bridge continued

### Coping strategies

- Local authority cuts will mean requests to BID to do LA work as BID has secure 5-year budget. It will be a challenge to decide on which of those services to pick up as businesses are still paying their business rates. It's our responsibility as the voice of businesses in the area to make sure that services are not substantially reduced and the additionality principle is maintained.
- BID would be prepared to take over some services depending on percentage of costs transferred.
- Bid has helped set up a construction support group with developers, TfL, landowners to discuss what developments are happening in the area and express the concerns of businesses.
- BID cannot sue local authority for breach of service level contracts, but can use the contracts as a tool in a negotiation which involves defending the issue of additionality and also deciding what businesses will be prepared to fund.

### Opportunities and challenges

- Opportunity to engage directly with landowners for funding once developments show signs of deterioration. Too early for that now.
- BID should maintain the core safe/clean portfolio of services and not be diverted away from that. That is what businesses see as the main role of BIDs. However, BID has been successful in other services/projects to do with recycling, signage, etc, which have proven to be cost saving for businesses and BID plans to expand on that.
- As part of corporate responsibility, BID plans to focus on employment issues, on securing jobs for the local communities. The Olympics presents an opportunity and the BID is engaged in discussions with the council, GLA and Network Rail.
- The major challenge for the near future is the redevelopment of the station, to make sure that the BID feed into the planning applications. There are many complaints related to the current state of the station and its surrounds and many tenants were under the impression that the works would have been completed by now. The redevelopment will last until 2017, there will be major disruptions and businesses need to be kept on board about what is going on, what decisions have been taken, where access points will be. The key issues are the management of the public realm over the next 5 years, the situation of the current tenants of the station, mostly small businesses who don't pay the levy but add to the mix, and lastly the lack of proper retail area and the BID wants to encourage a good retail mix within the development or under the railway arches nearby.

## Retail Birmingham

### Case Description

- Metropolitan Core BID, 420 hereditaments, annual income of £1,200,000.
- Specialised BID, covering all businesses except offices. Area includes 4 major shopping centres plus smaller centres, national chains and independent retailers.
- Set up in Nov 2006, majority of 70% on a 50% turnout.
- Marketing/events representing 50% of expenditure, followed by 'street operations' (wardens, radio links with police, additional clean-up and decorations) with 30% of expenditure. Management costs around 12%.
  - Events at several scales: BID-wide and specific to particular types of businesses in particular locations.
  - Warden service supplementing City Council service.
  - Partnership work with the council in a series of projects.
- Levy representing 44% of income (£530,000) (1% of 2005 RV annually indexed for inflation, threshold of £10,000 RV).
  - 13% (£150,000 pa) voluntary contribution from the owners, mostly from the 4 major managed shopping centres, agreed at 0.3% of RV pa (the 350 tenants of shopping centres are exempted, with the owners of the shopping centres paying voluntary contributions in lieu of the tenants' levies). There is some contribution from smaller property owners.
  - 39% (£460,000) from sponsorship (marketing events) and in-kind contributions from the city council (at least 50% of staff salaries, street wardens, accommodation, financial and administrative services including levy collection and recovery).
  - 4% (£50,000) cash contribution of the city council for project expenditure.
  - Grants from RDA (£35,000) for strategic studies on the local economy and from Home Office (£45,000) to provide radios to small retailers.
  - Development costs of BID met by city council-funded City Centre Partnership.
  - City Council transfer 80% of the annual BID levy at the beginning of the financial year in advance of actual collection to secure stable cash flow.

### Background

- BID management mostly composed by the City Centre Management Team, a city council-funded structure that managed the pre-existing City Centre Partnership.
- Active involvement of City Council in creating and supporting BIDs, which are regarded as a strategic partnership between the council and businesses.
- Retail Birmingham one of 4 BIDs adjacent to one another operating in Birmingham city centre (Broad Street, Colmore, and the new Southside) covering areas of different functional specialisation (leisure, offices, retail). Council plans to create more BIDs around the city centre and in the suburbs, with set up costs met by City Council. There are also 2 suburban BIDs and another 4 being set up. A formalised partnership was created with the managers of the BIDs and other partners.
- Shopping centre owners' contribution of 0.3 RV pa as a compromise to secure income for the BID but without pressurising service charge paying tenants and risking a no vote.
- Bull Ring Shopping Centre changed the profile of retail in Birmingham, and BID created as a catalyst to spread the benefits to the whole retail core.
- Property Forum created in April 2010 to incorporate the views of property owners and managing agents of the BID area and part of the effort to create a broad base of support for the rebalot.
- Although offices are not part of the BID, there are no tensions between their needs and the BID activities. BID was set out around issues of marketing and events, and this does not interfere with offices. Initial strategy included levy of 0.5% of RV for offices, but it was dropped as potential extra income did not make up for higher risk of no vote as BID did not really concern offices.
- Different needs of smaller retailers and large national chains included in BID, with events and projects targeted at different sectors.
- Very close relationship with the City Council with most of the Senior BID team council employees. This keeps BID close to council decisions, although blurred delimitations occasionally creates frictions on both sides. However, this model of financial dependence on the council for the BID management was chosen at the start by the businesses, probably because of previous tradition of joint work and because it allowed the BID to concentrate levy resources elsewhere.

### Recession and impact on BID area

- BID has been monitoring vacancy rates, and there are much lower than the figures for the wider city region. Large catchment areas seem to have helped the retail core of large cities and impact of recession has been small. Large successful shopping centres such as the Bull Ring draw footfall and sales.
- Independent businesses have suffered more, and this has affected particular places within the BID area where there is a concentration of small businesses and where there would be more vacancies.



## Retail Birmingham continued

<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Voluntary contributions from property owners have stabilised with some owners dropping out of the scheme because of transfer of ownership in the BID area accelerated by the recession.</li> <li>• Levy money is taking longer to be collected as distressed businesses hold on to their money for longer. However, as the council pays the levy to the BID upfront cashflow for BID projects it has not been a problem, although it might become one if the money is not paid and the BID has to return money to the council.</li> <li>• Sponsorship also more difficult to get.</li> <li>• Impact on income expected to affect BID 2 in 2012, especially if the amount of voluntary contributions and sponsorship is not the same. That can change the nature of the budget. However, BID 2 will adopt the 2010 RV list and that would make up for some reduction in income.</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• Full implications of cuts on BID services not yet entirely clear.</li> <li>• Some impact on events and marginal impact on street cleaning by the city council, but this will not affect the BID cleaning service as it is of a different nature. Some impact on floral enhancements.</li> <li>• City centre strategically important for council and BID does not expect significant cut in services. The same applies to the police: it is not in their interest to reduce services in the city centre.</li> <li>• Warden service (part funded by the city council, part by BID) is secured for the time being.</li> <li>• There haven't been instances of the city council try to transfer to the BID services they no longer wanted to run, except in the case of street trading, which the BID refused.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• Voluntary contribution from property owners linked to specific project of their interest. This has helped to get contributions from large and small owners.</li> <li>• BID working with the owners and tenants of smaller shops to help them weather the recession: negotiating with the council about business rate payment, making sure businesses know about grants, discussing with individual businesses. Also events directed at smaller businesses and mentoring support from larger retailers.</li> <li>• BID insisting on the additionality element of BID services to secure that Council does not reduce services that are directly complemented by the BIDs (e.g. wardens: BIDs would not fund their own if Council withdrew theirs).</li> <li>• So far sponsorship as the main form of raising extra income for the BID: some of the events are large, with national celebrities and that makes them attractive for corporate sponsorship.</li> </ul>
<b>Opportunities and challenges</b>	<ul style="list-style-type: none"> <li>• As BID develops and becomes more active in areas other than marketing and more e.g. in the street environment it might consider incorporating office uses and becoming not just a retail BID as it will have more to offer to them.</li> <li>• BID is considering the opportunity for joint procurement of services, and if there is any interest from businesses this might be included in future activities.</li> <li>• BID has commissioned a lot of strategic work and the challenge is how to delivery that strategy without the support of a regional economic development body like the RDA, without any external funding.</li> <li>• There is a lot going on for Birmingham with the redevelopment of New Street Station, a new John Lewis and more shops and the challenge is to capitalise on all that and make sure that the BID agenda influences these developments and they help to deliver some of the BID's objectives.</li> <li>• BID does not see itself evolving as a service delivery organisation taking over council services. It sees its role as that of a Council partner complementing existing services.</li> <li>• Opportunities for coordinating work among the 4 city centre BIDs, on services, events and other joint work.</li> </ul>

<b>London Riverside</b>	
<b>Case Description</b>	<ul style="list-style-type: none"> <li>• Industrial Area BID, 250 hereditaments (125 in the Fairview estate), annual income of £140,000.</li> <li>• Large area (120 ha) covering several industrial estates (many with own management structures) housing businesses of different sizes.</li> <li>• Set up in 2007 with an 80% majority but a 30% turnout.</li> <li>• 'Safe and secure' taking up 42% of approved budget, 'Clean' another 26%. Management costs around 25%. <ul style="list-style-type: none"> <li>- CCTV with number plate recognition capability, monitored 24/7 by Homes in Havering (LB Havering main ALMO, subcontracted by BID), night-time/weekends mobile security patrols, radio service connecting the police and BID's mobile patrols.</li> <li>- Litter patrol to complement minimum service offered by council.</li> <li>- Clearing fly-tipping on private roads inside estates.</li> </ul> </li> <li>• Levy covering 80 to almost 100% of budget, depending on the availability of grants (1%, adjusted up to 3% annually for inflation, RV threshold £5,000, levy ceiling of £7,500). <ul style="list-style-type: none"> <li>- London Thames Gateway Development Corporation £172,000 grant in 2009/10, part match funded by the BID (£50,000.00) and LB of Havering to help with CCTV-related capital investment.</li> <li>- Contribution in kind from Local Authority to set out BID and levy collection costs in first year, plus costs of NPR software.</li> <li>- Local authority help to complete small projects (e.g. roundabout signage).</li> <li>- No contribution from property owners (except on empty properties).</li> </ul> </li> </ul>
<b>Background</b>	<ul style="list-style-type: none"> <li>• Successor to Ferry Lane Action Group, a business-led partnership, which had operated for 5 years with match funding from Business Link, Made in London and other public funding targeted at industrial estates. FLAG funding ended in 2006 and BID was devised to continue the work. BID covering larger area than FLAG.</li> <li>• BID main concern is safety and security of area.</li> <li>• BID works with other neighbourhood organisations in the area, and with the local Safer Neighbourhoods Team to lobby for/against planning applications or changes in parking rules, etc. that might affect the area. Good relations with resident community in Rainham as many work within the BID area.</li> </ul>
<b>Recession and impact on BID area</b>	<ul style="list-style-type: none"> <li>• Vacancies have affected larger properties more visibly, with some remaining empty for a couple of years. This affects the owners' willingness to pay the BID levy on empty properties, especially when added to cost of rates and service charges. Smaller properties might have lost occupants but turnaround has been much faster.</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Vacant areas belonging to the LDA were included in the BID to secure levy income from developments that were expected to happen soon but so far have not started.</li> <li>• Past income from grants and in-kind help from local authority unlikely in the near future.</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• Due to the cost of rebalancing in 2012 and unavailability of grants to make up for expense, capital spending by BID has stopped.</li> <li>• Cuts in council services in the area are not expected as the council already does the bare minimum in terms of cleaning and cleansing.</li> <li>• Police has withdrawn a response vehicle in January and the BID has paid for replacement bicycles.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• BID has been working with the police and the council to get their support for the rebalancing.</li> <li>• Some private estates have management systems that are not well developed and BID has tried to help them with financial and managerial support.</li> <li>• Currently lobbying Transport for London with the council to get bus services in Ferry Lane as a way of improving accessibility.</li> </ul>
<b>Opportunities and challenges</b>	<ul style="list-style-type: none"> <li>• Rebalancing in 2012: Although BID has achieved most of what it set out to achieve, recession affects people's willingness to commit spending and time to BID. Also, many estates already have service charges.</li> <li>• To be able to keep pace with the necessary capital improvements (esp. the CCTV network) the levy will have to rise to 2%, but it might not be possible to go beyond 1.5%.</li> <li>• Difficulties in spreading the benefits of the BID over a large area.</li> <li>• In second term, if successful and with increased resources BID could look more at the bigger picture and broaden its approach from the basic safe and clean, although these are essential to the BID.</li> <li>• Industrial BIDs have a mix of public and private land and there are challenges in dealing with e.g. private roads in desperate need of maintenance when the owners do not want to act. Some private estates have management systems that are not well developed and BID has tried to help them with financial and managerial support.</li> </ul>

## Albion

### Case Description

- Industrial Area BID, 123 hereditaments, annual income of £170,000.
- Area covering several industrial estates with mostly metal-related industries (automotive, aerospace).
- BID 1 approved in Apr/2006 with 85% majority and 48% turnout, BID 2 in Nov/2010 with a significantly expanded area (68 businesses in BID 1).
- Safer/Secure taking 60% of budgeted expenditure, marketing 15%, management costs around 15%.
  - CCTV monitoring, maintenance and additional equipment taking almost 3/4 of safer/secure budget, with patrols taking much of the rest.
  - Events, national marketing and advice to business taking most of the marketing budget.
  - 'Better Place' – small allocation for banners and clean up, health screening event.
- Levy covering 100% of budget (4% of RV, threshold of £10,000 RV and capped at £4,000. No levy on empty properties or on industrial estates with independent security arrangements paid for by service charges).
  - BID 1 raised £280,000 in grants from Government (NDC) and local authority (capital investment in CCTV system and setting up of BID 1). BID 2 expects to raise some money to extend network.
  - BID 1 raised £600,000 in in-kind contributions (events, training programmes).
  - BID 1 had a voluntary membership scheme (Friends of the BID, mostly for joining the CCTV service – although some of the fee could not be collected).
  - Businesses in estates with service charges paid levy to BID 1, but are exempted in BID 2.
  - BID 2 expecting extra income from levy-exempted businesses buying specific services (e.g. CCTV monitoring, patrols or keyholder service).

### Background

- Main issue in area was crime, particular stealing of scrap metal and resulting fly-tipping of discarded material, with financial implications for victims, but also for ability of area to attract inward investment. Also, increasing costs of insurance against theft.
- Area was part of an NDC programme and a £250,000 grant to buy CCTV cameras was conditional on the formation of a BID as a way of securing revenue to pay for the operation of the CCTV system. NDC provided funding for setting up the BID.
- Albion Business Forum as a predecessor of the BID, driven by Groundwork and much smaller, focusing on employment for young offenders, working within the NDC project.
- Limits of original BID area shaped by likelihood of support for BID and location of strategic roads for the CCTV system. Efficient CCTV system has led to displacement of crime, from BID 1 area into surroundings, and wider interest in incorporation into CCTV system led to increase in BID area for BID 2.
- BID contains both tenants and owner-occupiers and BID has closer relationships with the latter. Size of firm is not as important, although the smaller business can be very transient, especially the rented units.
- 50% of businesses are very small, 25% medium and 25% reasonably large.
- Very good relations between the BID, the police, the local authority and other public service providers, and BID generally perceived as a conduit between local business and the council and other public sector organisations. Not good with Chamber of Commerce which sees BID as a threat.

### Recession and impact on BID area

- Limited impact of recession in terms of business closures. More significant problem has been the inability to raise loans with banks, especially smaller businesses. This led to significant laying-off of personnel in 2009, although most are now back.
- Although difficult to quantify BID might have been important to prevent some companies from closing down, as break-ins can mean loss of tens or hundreds of thousands of pounds of stock and this can tip the balance in times of recession.

### Recession and Cuts: impact on income

- No significant reduction in income, although some delay with payment of levy, and numbers of vacant units within BID have been falling.
- BID did not include in budget income other than the levy because this was not secure income and therefore BID has not relied on insecure sources for any of its business plan objectives. Any extra resources will be used to complement and add to the approved business plan.
- Significant decline in grants and contributions in kind, but BID 2 BP much less dependent on them. BID 2 much larger and bigger LP pool.
- BID 1 allowed businesses adjacent to BID area to buy into CCTV system through Friends of BID scheme, but payment could not be enforced and there were many cases of default.

### Recession and Cuts: impact on services

- Not significant. Business plan covered by levy and local authority delivers minimal services to the area. Cleaning is done not very often and maintenance of footpaths and roads is minimal, so not much to cut and save money on.

## **Albion** continued

### **Coping strategies**

- Due to absence of physical changes (most of the investment was in CCTV operation), BID had to remind voters of how bad situation was before the BID. Focus on security and CCTV operation has led to very little visible signs of BID activity. New BID has more focused on visible outcomes.
- BID 2 is redesigning voluntary payments by non-levy payers and limiting this to service that can be withdrawn in case of default on payment (e.g. keyholding service, call-out patrols, lighting).
- Extension of area leading to difference in degree of coverage by BID services (CCTV equipment mostly located in original area). BID using car patrols in new areas to make up for that. This will reduce as new cameras are added.
- Although BID has good relations with local authority, it does not want to be involved in all plans and consultations in order to keep a distance and not to raise concerns amongst BID members with plans that might not happen.

### **Opportunities and challenges**

- BID looking at cost-saving opportunities for members, with at least 50% of their levy returned to them through consortium buying.
- BID looking at the possibility of setting up a Business Credit Union, for the provision of cheaper credit for smaller businesses. Other project is bringing in experts to advise small businesses, either from large companies within BID or from outside, in marketing, finance and related subjects.
- Marketing strategies to improve image of area both for investors and a skilled workforce.
- As an industrial area BID containing an important part of the local economy, BID might benefit from LEP funding, depending on final details on LEPs.
- New bid areas have private estates with private roads and any improvement in these areas will be more difficult: council cannot help, some landowners are absent and lease conditions (especially repair and maintenance obligations) vary within some estate. Challenge in coordinating any work there).



Table 6

Case study comparison

	TOWN CENTRE			
	Blackpool	Rugby	Truro	Bury St Edmunds
<b>Justification Costs &amp; Benefits</b>	<ul style="list-style-type: none"> <li>• Agenda developed from Town Centre Forum &amp; regeneration initiatives, with broad support.</li> <li>• Crime &amp; Safety, cleanliness and competitiveness as key issues.</li> <li>• Renewed mandate suggests success in tackling agenda (especially Crime &amp; Safety).</li> <li>• Some services represent real savings, especially for smaller levy payers.</li> <li>• Maturing as voice of city centre businesses and mediator between businesses, Council and police.</li> <li>• Fund raising capacity.</li> <li>• Capacity for cheaper and more effective delivery of services, partly realised.</li> </ul>	<ul style="list-style-type: none"> <li>• Long standing issues of crime and safety incorporated into BID agenda.</li> <li>• Crime &amp; Safety (CCTV system and rangers) main purpose of BID.</li> <li>• Renewed mandate on a relatively high levy and low threshold suggests success.</li> <li>• Direct and indirect benefits for levy payers from sophisticated CCTV system pooling public and private resources ( e.g. reduction in crime and in insurance premiums).</li> <li>• Maturing as voice of city centre businesses and mediator between businesses, Council and police.</li> <li>• Capacity for cheaper and more effective service delivery (especially safety).</li> </ul>	<ul style="list-style-type: none"> <li>• BID evolved around marketing issues and desire to capture trade from commuting and seasonal flows.</li> <li>• More secure funding for Christmas lights as catalyst.</li> <li>• Marketing and events as main purpose of BID.</li> <li>• Renewal only in 2012, but BID already perceived as reasonably successful, especially with the running of the Christmas lights.</li> <li>• Potential for cheaper and more effective service delivery, used as a model for town centre management in the county.</li> <li>• Fund raising capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• BID created as an attempt to put the Town Centre Management Company in more resilient financial footing, and not as a result of specific agenda.</li> <li>• 1-year old BID, trying to justify its existence to constituency of small businesses.</li> <li>• Marketing and events dominant in business plan, but main spending on rangers and a few events, which have yet to demonstrate value for money for levy payers.</li> <li>• Potential for cheaper and more effective delivery of services, including those previously offered by TCM company.</li> </ul>
<b>Voluntary contributions (VC) &amp; non-levy income</b>	<ul style="list-style-type: none"> <li>• 20% income non-levy.</li> <li>• VC from property owners in original business plan but never collected.</li> <li>• Extra contribution from subscriptions to services, in budget (20%).</li> <li>• Regeneration grants and Council contributions in kind, extra-budget (inc. advance transfer from Council) (£240,000 in grants for 2010-11).</li> </ul>	<ul style="list-style-type: none"> <li>• No VC from property owners and never sought.</li> <li>• 28% income non-levy, mostly associated with CCTV system (BID runs system as contractor from Council; subscriptions to system from non-levy paying businesses).</li> </ul>	<ul style="list-style-type: none"> <li>• VC from property owners minimal, although more predicted in business plan.</li> <li>• 91% levy income: small amount of income from private sponsorship of events, and small amount of VC from Council.</li> <li>• Small grants from EU Convergence Funds.</li> </ul>	<ul style="list-style-type: none"> <li>• 97% levy funded, with remaining from event sponsorship.</li> <li>• VC from property owners and voluntary membership included in Business Plan, but have not materialised.</li> <li>• Significant contribution in kind from Council to cover management, administration and levy collection, not included in budget.</li> </ul>

	TOWN CENTRE			
	Blackpool	Rugby	Truro	Bury St Edmunds
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>Levy rate reduced from 1.4% RV average to 1% for re-ballot, but shortfall compensated by increase in area.</li> <li>Of the non-levy income grants worst affected.</li> <li>Loss of government part-funding for programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Levy had to be kept at 2005 levels for new BID, with a loss of £100,000 in revenue.</li> <li>Council funding for CCTV secured to 2015, so no significant impact on non-levy income.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in sponsorship income and VC, but overall minimal effect.</li> <li>delays in transfer of EU grant.</li> </ul>	<ul style="list-style-type: none"> <li>No impact on levy income, although lack of engagement of levy payers with BID might change that.</li> <li>Council contribution to former TCM company has not been entirely transferred to BID.</li> <li>Cut in Council funding for Christmas lights have meant reallocation of resources towards that event.</li> </ul>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>BID restructuring their services to make up for reduction in council services and grants (cleaning, wardens).</li> <li>BID taking over some events from council as contractor, others scaled down.</li> <li>Less scope for grant-funded projects.</li> </ul>	<ul style="list-style-type: none"> <li>As the main services are the CCTV system and rangers, and funding for both is secured (former by agreement with Council, latter from levy), no impacts expected.</li> <li>Potential for some reduction in Council cleaning services, but BID service is distinct.</li> </ul>	<ul style="list-style-type: none"> <li>Main activities are marketing and events which Council did not provide and funding is secured through levy, so no impacts, but some reallocation of resources towards priority projects.</li> <li>Delays in starting grant-funded initiatives.</li> <li>Reduction in council services affecting the BID (CCTV monitoring), which may lead to reallocation of resources to secure service levels.</li> </ul>	<ul style="list-style-type: none"> <li>Uncertainties about Council cuts and need to gain support for BID leading to reallocation of priorities, with focus on street rangers rather than marketing and events.</li> <li>Small capital projects in partnership with Council will now only go ahead if BID fully funds them.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>Focus on operational issues (clean/safe) with visible outcomes rather than strategy.</li> <li>Restructuring of services to make sure key projects are not affected.</li> <li>Exploring cost-neutral ideas (joint procurement for waste recycling).</li> <li>Less detailed &amp; more flexible business plan in re-ballot, with a clearer focus on the cleaner/safer priorities and more reliance on levy funding.</li> <li>Community interest company status to benefit from larger funding pool.</li> </ul>	<ul style="list-style-type: none"> <li>Decision keep the levy at 2005 levels as a way of keeping support from mostly small businesses for re-ballot.</li> <li>Exploring cost-neutral ideas (joint procurement for waste recycling).</li> <li>Emphasis on the BID track record in improving safety in the trading environment.</li> <li>Use the status of the BID as representative of business interests to lobby the Council against reduction relevant services.</li> </ul>	<ul style="list-style-type: none"> <li>BID has kept the levy at 2005 levels as a way of keeping support, esp. from small businesses.</li> <li>Reallocation of spending towards key priorities especially Christmas lights to ensure these were not affected if situation changed.</li> <li>Exploring cost-neutral ideas (joint procurement of energy).</li> </ul>	<ul style="list-style-type: none"> <li>BID has kept the levy at 2005 levels as a way of keeping support from levy payers.</li> <li>Focus on rangers as main initiative as way of providing visible presence and gaining support from small retailers.</li> <li>Full funding for Christmas light to make up for shortfall of Council funding.</li> <li>Replacement of BID manager to try and change image of BID and increase support.</li> <li>Focus on needs of levy payers rather than town centre businesses in general.</li> </ul>

	TOWN CENTRE			
	Blackpool	Rugby	Truro	Bury St Edmunds
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Strategic work as regeneration funding for Council dwindles.</li> <li>• Capitalising on the recent large regeneration investment in the town centre.</li> <li>• Focusing on the evening economy as opposed to day-time retail.</li> <li>• Securing expected standards of services when baseline is reduced.</li> </ul>	<ul style="list-style-type: none"> <li>• Move beyond the safety agenda.</li> <li>• Secure an increase in footfall in what is primarily a local town centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Cuts in services relevant to BIDs might require the BID to consider stepping in.</li> <li>• County Council views BID as a way of filling gap in service provision and there is pressured for BID to be more operational and deliver public services.</li> <li>• Christmas light a quick success, but longer-term maintenance issues not considered. Issue of keeping success in the long term.</li> </ul>	<ul style="list-style-type: none"> <li>• Persuading BID constituency that the BID can be beneficial to them and overcoming impression that BID is there to benefit a handful of larger businesses.</li> <li>• Make large investment in street rangers successful.</li> <li>• Risk of council using BID to offload its responsibilities without corresponding funding, inc. full remit of former TCM company.</li> <li>• Gaining respect from the Council as a potential representative of business interests.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• BID standing as a representative of business interests and conduit between businesses, Council and the police.</li> <li>• Social enterprise status: funding opportunities and partnerships.</li> <li>• Consolidation of BID as a recognised player in city centre governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring further the status of the BID as 'voice of businesses' to negotiate council policies related to the town centre.</li> <li>• Explore further cost-neutral services.</li> </ul>	<ul style="list-style-type: none"> <li>• More cost-neutral initiatives with joint procurement.</li> <li>• Exploring credibility of BID as representative of local businesses to shape policy.</li> <li>• Cooperation with new BIDs being set up in and around Truro.</li> </ul>	<ul style="list-style-type: none"> <li>• Developing the 'business support' programme of business plan, including joint-procurement.</li> </ul>

	METROPOLITAN PERIPHERY	METROPOLITAN CORE		
	Kingston	Nottingham Leisure	Birmingham Retail	London Bridge
<b>Justification Costs &amp; Benefits</b>	<ul style="list-style-type: none"> <li>• BID evolved from active town centre management company as way of expanding company and increasing resources.</li> <li>• Agenda focused on competitiveness of town centre and links with 20-year Masterplan. Marketing and cleansing dominant.</li> <li>• Renewed mandate in 2009 with solid majority suggests success in delivering agenda.</li> <li>• Significant operational profit from services managed on behalf of council, reinvested in BID projects.</li> <li>• Cheaper and more effective delivery of services on behalf of Council.</li> <li>• Fund raising capacity.</li> <li>• Structured representation of city centre businesses and mediator between businesses, Council and police.</li> </ul>	<ul style="list-style-type: none"> <li>• BID did not evolve directly from the TCM partnership which had withered, but from Council-led effort to deal with alcohol-related issues and as alternative to an Alcohol Disorder Zone.</li> <li>• More pressing problems of evening economy leading to specialised BID.</li> <li>• BID agenda derive from need to tackle reputation of city centre and competition from other leisure destinations. Marketing dominant, followed by safety (the taxi marshals).</li> <li>• Some successful initiatives, esp. taxi marshals securing support from businesses, although large number of very small levy payers makes difficult to assess depth of support.</li> <li>• Role as mediator between council and businesses, esp. in more strategic issues, partly realised.</li> <li>• Potential to deliver services more cheaply and effectively.</li> <li>• Fund raising capacity and potential for more effective night-time economy management, less reliant on public funding.</li> </ul>	<ul style="list-style-type: none"> <li>• BID evolved from an active City Centre Partnership, a strategic partnership between the Council and businesses, largely funded by the former.</li> <li>• BID agenda evolved as a partnership response to significant developments in the city centre and the challenges/opportunities they created: marketing and events dominant, followed by cleaning/safety.</li> <li>• Renewed mandate late in 2011 would indicate recognition of value by LP or otherwise, but so far there is broad support from key public and private players (including property owners through a Property Forum).</li> <li>• Council support for BID model reflected in extension of number of BIDs in city centre (3 + 1 new) and in the periphery (2+ 4 new).</li> <li>• Partnership character of BID supported by both businesses and Council.</li> <li>• Potential for more effective city centre management, less reliant on public funding, so far realised.</li> </ul>	<ul style="list-style-type: none"> <li>• BID evolved as legacy of Single Regeneration Budget (SRB)/Corporation of London-funded Pool of London Partnership, a regeneration body with strong business input: keeping the regeneration momentum and protecting value of investment.</li> <li>• Agenda based on improving the attractiveness of the area as a business destination: public realm cleanliness/safety, marketing and corporate social responsibility. For BID 2 focus is on impact of large new developments.</li> <li>• Renewed mandate in Nov 2010 with 80% majority on a reasonable turnout suggest wide support and recognition of value by levy payers.</li> <li>• BID complements management of the 3 major estates that make up most of the area.</li> <li>• Council and Greater London Authority (GLA) support as part of wider strategies for public realm governance and local economic development.</li> <li>• Potential for more effective public realm management, less reliant on public funding, so far realised.</li> </ul>

	METROPOLITAN PERIPHERY	METROPOLITAN CORE		
	Kingston	Nottingham Leisure	Birmingham Retail	London Bridge
<b>Voluntary contributions (VC) &amp; non-levy income</b>	<ul style="list-style-type: none"> <li>• 20-25% income non-levy.</li> <li>• 5% income from VC from original TCM sponsors (property owners and Council) to pay management costs and joint projects.</li> <li>• 20% income from management of services (Council budget transfer + income).</li> <li>• Additional in-kind contribution from Council for management costs.</li> </ul>	<ul style="list-style-type: none"> <li>• 30% income non-levy.</li> <li>• 24% of business plan to be funded by grants, especially from the Regional Development Agency (RDA).</li> <li>• 3% each from sponsorship of events and sale of services.</li> <li>• Extra-budget in-kind support from Council for events, funding of taxi marshals.</li> <li>• No VC from property owners.</li> </ul>	<ul style="list-style-type: none"> <li>• 56% non-levy income, with significant dependence on Council funding.</li> <li>• 13% income VC from shopping centre owners (in lieu of tenants' levy).</li> <li>• 39% from sponsorship of events, mostly in-kind, and in-kind contributions from the Council (salaries, management costs, accommodation, levy collection, but excluding advance transfer of levy).</li> <li>• Small amounts from grants from Council, RDA, Home Office for specific projects.</li> </ul>	<ul style="list-style-type: none"> <li>• 87% income from levy (inc. tenants of the managed estates).</li> <li>• No VC from property owners (although 2 major owners as LP occupiers).</li> <li>• 13% revenue from projects and services commissioned by businesses/property owners.</li> <li>• Co-funding of activities with GLA, the police and local authority (extra-budget).</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>• Adoption of 2010 business rates list for BID2 meant increase in levy income, so no impact.</li> <li>• Funding level for transferred services agreed for 2-years, so no predicted impact until 2012 when new agreements will be negotiated.</li> <li>• Cuts in funding for some jointly funded projects from Council and Transport for London (TfL).</li> </ul>	<ul style="list-style-type: none"> <li>• Some decrease in levy collection rates. 55% levy payers are small businesses (rateable value threshold for levy payment is £1,000).</li> <li>• Council has cut its in-kind funding, leading to reallocation of resources to cover for shortfalls, especially as this was linked to priority activities.</li> <li>• RDA funding likely to cease and even contracted funding for 2010-11 might not be fully delivered.</li> </ul>	<ul style="list-style-type: none"> <li>• Levy collection has become slower, but no immediate impact on income as levy is transferred in advance. However, potential for impact in future if transfer needs to be paid back to Council.</li> <li>• VC from property owners declined with changes in ownership, but now stabilised around core of Shopping Centre owners.</li> <li>• Decrease in sponsorship, now harder to get.</li> <li>• Council contributions in kind secure for the time being.</li> <li>• Absence of grants for specific projects, especially from RDA which in the past were important.</li> <li>• Impact on income expected for BID 2 in 2012, especially VC and sponsorship income. However, new BID will adopt 2010 rates list and that will make up for part of the potential shortfall.</li> </ul>	<ul style="list-style-type: none"> <li>• No reduction in levy income, but BID anticipated added income from new developments has been postponed for 12-18 months as developments were delayed.</li> <li>• Funding for a small project from the GLA likely to end, with BID reallocating resources to make up for shortfall.</li> <li>• Funding from commissioned project might be affected, although no significant impact expected.</li> </ul>



	METROPOLITAN PERIPHERY	METROPOLITAN CORE		
	Kingston	Nottingham Leisure	Birmingham Retail	London Bridge
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• Not significant so far. BID has taken over some projects affected by Council cuts and cross-subsidises them with income from other activities.</li> <li>• Other projects not directly linked to BID which lost funding have terminated, especially visitor centre, and BID might take it over in the future.</li> <li>• Cuts in contribution to joint projects especially night-time manager and Park &amp; Ride, but some of shortfall picked up by BID.</li> </ul>	<ul style="list-style-type: none"> <li>• BID board decided to not to start a number of projects and services which were unlikely to succeed.</li> <li>• Cuts in Council services not directly related to BID especially late night cleansing will affect trading environment.</li> <li>• Cuts in contributions to jointly funded events by Council and reduction of RDA grants leading to cancellation of events.</li> <li>• Termination of Council funding for taxi marshals leading to BID now fully funding t whole project, so no impact on service, but siphoning off of resources to it means that other BID projects will not be delivered, especially Best Bar None Awards.</li> </ul>	<ul style="list-style-type: none"> <li>• Full implications of council cuts not yet clear. Some impact expected on the funding of events and floral arrangements.</li> <li>• Strategic importance of city centre for Council and Police ensures cuts in services will not be significant.</li> <li>• Reduction in street cleaning services, but no direct impact on BID service as it is of a different nature.</li> <li>• Warden service (mostly Council funded) secure for now, but might become at risk if Council withdraws funding.</li> </ul>	<ul style="list-style-type: none"> <li>• Not significant so far. Full implications of Council cuts not yet clear. Most likely to affect street cleaning and BID will have to decide whether to take over.</li> <li>• Cuts by the police likely, but BID will not put extra funding as levels of crime do not warrant it.</li> </ul>

	METROPOLITAN PERIPHERY	METROPOLITAN CORE		
	Kingston	Nottingham Leisure	Birmingham Retail	London Bridge
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• Taking over of council services as a profit making opportunity (efficiency gains and better service at lower costs), but securing possibility to revert to core agenda if cuts in 2012 are too severe.</li> <li>• Cross subsidisation of services, esp. transferred services from Council.</li> <li>• Negotiation with property owners in marginal areas to secure viable rent levels and decreased vacancies.</li> </ul>	<ul style="list-style-type: none"> <li>• Change in agenda to cope with recession: original business plan not being delivered as approved, but this will have to be reconciled for re-ballot.</li> <li>• BID has kept levy at 2005 rate levels as a way of keeping support esp. from small businesses.</li> <li>• BID took over full funding of key projects to make up for Council cuts, although this deviated from approved business plan.</li> <li>• Exploring cost-neutral ideas (joint procurement for waste recycling initially, then energy) to demonstrate value for money for levy payers.</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion of offices and Shopping Centre tenants from BID as strategy to maximise yes vote.</li> <li>• Setting up of Property Forum to secure support from property owners.</li> <li>• Linking voluntary contributions from property owners to specific projects of their interest.</li> <li>• BID bringing together small tenants, property owners and Council to help the former weather recession and secure their support.</li> <li>• Insistence on additionality in discussion with the Council to ensure the council will not cut jointly-funded projects.</li> <li>• BID has taken advantage of size and importance of city centre to make event sponsorship a significant source of income.</li> </ul>	<ul style="list-style-type: none"> <li>• So far cautious approach to taking over Council services that might be reduced and emphasis on additionality.</li> <li>• Setting up a construction support group with developers, TfL, landowners to discuss the impact of on-going and impeding large developments to make sure concern of businesses is considered.</li> <li>• Some joint-procurement projects in recycling, reducing operational costs for levy payers.</li> <li>• Maintaining a clear portfolio of safe/cleaner/image services as the main justification for the existence of the BID.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• Keeping the model of BID as service manager and delivery agency if Council cuts are severe.</li> <li>• Making sure baseline agreement for council services are not reduced.</li> </ul>	<ul style="list-style-type: none"> <li>• Define what services the BID could take up as council withdraws funding for non-statutory services without losing sight of the issue of additionality.</li> <li>• Licensing act review recommendation for a discretionary extra levy on licensed businesses to pay for council costs : if too high or indiscriminate BID would become unviable and challenge is to demonstrate the BID is already the answer.</li> <li>• Growing remit but without trying to replace the Council as BID still depends on it to remain viable.</li> </ul>	<ul style="list-style-type: none"> <li>• Securing yes vote for BID 2 in a more adverse environment with less potential for using levy to raise further income.</li> <li>• Securing continuity of key BID initiatives without support from grants or any external funding: BID has commissioned studies to that effect.</li> <li>• Resisting pressure from Council to take over services they no longer want to run and which are not related to the BID core purposes.</li> </ul>	<ul style="list-style-type: none"> <li>• Pressure to take over Council services as BID has secure funding: how to decide what to take on without affecting the principle of additionality.</li> <li>• Coping successfully with the large developments planned for the area and making levy players interests heard.</li> </ul>

	METROPOLITAN PERIPHERY	METROPOLITAN CORE		
	Kingston	Nottingham Leisure	Birmingham Retail	London Bridge
Opportunities	<ul style="list-style-type: none"> <li>• Provided service transfer is successful, opportunities for BID to run more of what happens in town centre and delivering better quality services.</li> <li>• Exploring further the status of the BID as an important and well-resourced player in the management of the town centre.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring further the role of BID as consultee in policy proposals related to the town centre, especially on strategy.</li> <li>• Potential for collaboration with new and conterminous Retail BID.</li> <li>• Maximising the advantages of being a specialist BID, with a focus on a particular sector of businesses.</li> <li>• maximising the potential for the BID to become leading body in funding bids, rather than just delivery bodies for the Council.</li> </ul>	<ul style="list-style-type: none"> <li>• BID is considering exploring opportunities for cost-neutral initiatives such as joint procurement of relevant services.</li> <li>• Further major re-developments in the city centre creating opportunities for BID to consolidate its role in the management of the city centre and deliver its agenda.</li> <li>• Exploring further the potential gains from coordinated work among the 4 contiguous city centre and the 6 suburban BIDs.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring further cost-neutral initiatives, but without diverting from the core agenda.</li> <li>• Taking advantage of the 2012 Olympics for corporate responsibilities projects. BID is currently discussing with Council, GLA and Network Rail.</li> <li>• Taking advantage of the large new developments to consolidate the image of the area and the role of the BID in its management.</li> </ul>

	INDUSTRIAL AREA	
	London Riverside	Albion
<b>Justification Costs &amp; Benefits</b>	<ul style="list-style-type: none"> <li>BID evolved from Ferry Lane Action Group, a business-led partnership funded by regeneration/ economic development grants. BID set up to carry on with the work when FLAG funded ended, but over larger area.</li> <li>Dominant safe and secure agenda (CCTV and patrolling), with a focus on safety and making area attractive as business and employment location.</li> <li>Renewed mandate early in 2012 will confirm whether levy is justified. So far, firm support from Council. Levy payers' support will depend on perception that BID has made a difference, especially on safety gains in relation to cost of levy. BID has met objectives of Business Plan, but fragmented nature of some industrial estates, physical barriers, existing service charges and low-visibility nature of CCTV investment makes renewal not a given.</li> <li>Cheaper and more effective delivery of services on behalf of Council.</li> <li>Fund raising capacity.</li> </ul>	<ul style="list-style-type: none"> <li>BID emerged as exit strategy of a New Deal for Communities (NDC) project, as a way of securing revenue to manage the project's capital investment in a CCTV system. Albion Business Forum as the predecessor, a small business-led partnership part in the NDC project.</li> <li>BID original agenda, its area and coverage based on the operation of the CCTV system: reducing theft and its consequences for individual business and the area as a whole. Emphasis on the safe/ secure agenda, mostly involving the operation of CCTV and patrolling, with some marketing.</li> <li>Renewed mandate in Nov 2010 for a much expanded area (80% increase in hereditaments) suggesting broadening support from local businesses, based on success of safe/secure initiative (especially CCTV and including benefits of reduced insurance premiums) and desire to expand its coverage.</li> <li>Economic development objectives from Council and RDA, partly realised.</li> <li>Cheaper and more effective delivery of services on behalf of Council.</li> <li>Fund raising capacity (especially grants).</li> <li>Structured representation of local businesses and mediator between businesses, Council and police.</li> </ul>
<b>Voluntary contributions (VC) &amp; non-levy income</b>	<ul style="list-style-type: none"> <li>Normally 0% to 20% non-levy funded, depending on availability of grants.</li> <li>Significant LTGDC grant for CCTV capital investment in 2009-10 (120% of year's levy income), with some match funding from BID and Council.</li> <li>No VC from property owners.</li> <li>Extra-budget contribution in kind from Council (BID set-up, levy collection costs, acquisition of number plate recognition software, street signage).</li> </ul>	<ul style="list-style-type: none"> <li>BID 2 Business Plan 100% levy-funded.</li> <li>BID 1 relied on substantial grants from NDC and Council (especially for CCTV). BID 2 is expected to raise much more modest sums, extra-budget.</li> <li>BID 1 raised even larger amounts as in-kind contributions to events and training programmes.</li> <li>BID 1 had Friends of the BID scheme, non-levy payers who paid a set VC to receive services. BID 2 will get extra income from a direct sale of services.</li> </ul>
<b>Recession and Cuts: impact on income</b>	<ul style="list-style-type: none"> <li>Not significant so far, but income from grants and in-kind contributions from Council unlikely in the near future.</li> <li>Expected levy income from new developments on LDA vacant land has not materialised as developments have been postponed.</li> </ul>	<ul style="list-style-type: none"> <li>No significant reduction in income, although some delays in levy payment.</li> <li>Significant decline in grants and contributions in kind, but BID 2 business plan much less dependent on them, and with a much larger levy payer pool.</li> <li>Many cases of default in the Friends of BID scheme (especially related to CCTV services) and payment could not be enforced.</li> </ul>

	<b>INDUSTRIAL AREA</b>	
	<b>London Riverside</b>	<b>Albion</b>
<b>Recession and Cuts: impact on services</b>	<ul style="list-style-type: none"> <li>• No significant impact expected from Council cuts in services as area already receives the bare minimum.</li> <li>• Capital spending by BID (especially new CCTV) has stopped because of unavailability of grants and large costs of re-balloting: only revenue spending on on-going projects.</li> <li>• BID has covered cuts in police spending (withdrawal of response vehicle) by funding replacement bicycles.</li> </ul>	<ul style="list-style-type: none"> <li>• No significant impact expected: business plan activities are covered by the levy and Council services to the area are already minimal.</li> </ul>
<b>Coping strategies</b>	<ul style="list-style-type: none"> <li>• BID is concentrating on getting support for the re-ballot, from police, Council and levy payers.</li> <li>• Keeping focus of activities in the safe/secure and clean agendas, essential to justify the BID.</li> <li>• BID has been working with TfL to improve bus access to the different industrial estates to facilitate recruitment and retention of labour force.</li> <li>• BID has provided management support for privately managed estates where management systems are weak and impact on the attractiveness of the whole area.</li> </ul>	<ul style="list-style-type: none"> <li>• BID 2 Business Plan 100% levy-funded as a strategy to cope with recession &amp; cuts: any extra resources will complement the business plan.</li> <li>• Replacement of voluntary Friends of BID system by direct sale of individual services to ensure that only services paid for are available to non -LP.</li> <li>• Use of car patrols to compensate for absence of CCTV cameras in new BID areas while capital investment money for new cameras is being pursued: securing spread of services.</li> <li>• Increasing focus on more visible outcomes (especially physical changes) in run-up to re-ballot as CCTV investment might have been successful, but benefits or presence are not immediately evident, especially for new occupiers.</li> </ul>
<b>Challenges</b>	<ul style="list-style-type: none"> <li>• The re-ballot in 2012: although BID has delivered on its objectives, recession makes the levy a burden, esp. in estates which already have service charges.</li> <li>• Levy will have to rise for BID 2 to keep the pace with capital improvements (up to 2%), but this might jeopardise approval for 2nd mandate.</li> <li>• Difficulties in making benefits of BID felt over a large area (120 ha), especially safety measures like CCTV which needs capital investment.</li> <li>• Mix of public and private roads, and challenge of maintaining quality of environment in private land when owners don't want to act.</li> </ul>	<ul style="list-style-type: none"> <li>• Coordinating work with the private estates and private roads in the BID area: absent landowners, varying repair and maintenance lease conditions, lack of council power to act.</li> <li>• Securing extra funding from grants for capital investment in a difficult economic environment.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• For BID 2, if funding base will be bigger, with opportunity to go beyond the basic safe and clean agenda and look at the bigger picture.</li> </ul>	<ul style="list-style-type: none"> <li>• BID looking at cost savings opportunities for levy payers, with at least 50% of levy returning to businesses through savings from joint purchase of services.</li> <li>• Going beyond the safe/clean agenda and setting up support mechanisms for local businesses, such as a Business Credit Union or an advisory service for small businesses.</li> <li>• Marketing initiatives in partnership with the Council and the new Local Enterprise Partnership (LEP) to improve the image of the area for investors and skilled labour force.</li> </ul>



## 6.0 Study Findings

The case studies have revealed how BID managers and their respective local authorities perceive the current and prospective impact of the recession and public spending cuts on their localities, their BID and its role. The interview data has provided a fine-grain view of how those impacts take place in each locality, how they affect BID activities and what sort of challenges and opportunities they represent. Together with the more general overview provided by the survey and the initial desk research, data from the cases allow us to attempt to answer the 8 research questions under each of the three objectives put forward towards the end of section 2. This section comprises the answers to those questions:

**1.1 Has the BID levy been justified in terms of the additional value it creates or any other benefits it brings?**

**1.2 Has the current downturn affected significantly the relationship between benefits and costs of contribution?**

The first two research questions ask whether BIDs have fulfilled the expectations invested in them by key stakeholders in terms of costs/benefits and whether the recessionary economic climate has substantially altered that situation.

In the absence of a detailed survey of BID levy payers, those questions can be answered through an examination of how the BID agenda (i.e. the one underpinning the business plan voted as part of the BID proposal) was put together and of the extent to which its objectives were met. An important part of the latter is the perception of levy payers as to the effectiveness or otherwise of the BID in achieving their objectives and in providing them with services and support to the extent that justifies the cost of the levy.

The BID legislation establishes an important role for the local authority as leading player and sponsor in the setting up process, and beyond that as a key partner in the running of the BID. In practice, this role goes even further, and only a few BIDs would have been viable without any kind of financial and administrative support from their local authority. This investment by the local council takes place because BIDs have been regarded as a potentially important element in local governance, economic development, regeneration and public services provision. Therefore, the question above also refers to whether or not BID's potential as partners in local governance has proved true, to the extent that they should continue to justify council support.

Half of the BIDs examined here have succeeded in getting a second term in the last 12 months, in spite of an adverse economic environment. The remaining five cases, with one exception, are in the process of renewing their mandates, and it is generally expected that they will succeed. The exception is a new BID, still seeking consolidation and recognition. Largely, this suggests that these BIDs have



demonstrated to a sufficient number of levy payers that they represent value for money, or at least that the services that the BID provides to them is of enough value to justify the levy, and that this has not been substantially altered by the recession and public spending cuts. This mirrors a more general trend and in whole of the UK to date, all but one BID coming forward for a re-ballot have secured a new mandate.

There are issues around what the majority vote for a BID really means, since it represents a simple majority of those who actually cast their vote, and not an absolute majority of those entitled to vote. Therefore, renewed mandates might mean satisfaction with the BID, but also apathy where turnouts are low. In either case, it suggests that so far and in spite of the tougher business environment, overall BIDs have not represented a major burden on levy payers, and costs have not surpassed benefits to such an extent that business would be driven to reject them. In the country as a whole, in the circa twenty cases where rejection has happened, it was to create a new BID, and therefore benefits were potential, untested and untried. Approval for a BID is also a function of the size and nature of the businesses being asked to vote. Our evidence suggests that the contours of BID areas have often been carefully designed to leave out concentrations of businesses that might be more reluctant to commit to a BID, and to include those who have demonstrated willingness to support it.

Success in the re-ballot in 5 of the cases and expectation of success in other 4 cases seem to come from a recognition of the role of the BID in the effective delivery of some specific objectives, part of agendas with reasonably wide support among local businesses (e.g. reduction of crime through CCTV systems, increase in footfall through particular marketing events, safe running of Christmas lights, responsive street cleansing). However, this was not something that could be taken for granted. Both the BIDs preparing for the re-ballot and those just coming out of it have spent considerable effort in persuading and reminding levy payers of their successes, convincing them that a renewed mandate would be the best way to consolidate those successes and take them forward, and generating enough active support to secure a favourable vote.

Nearly all of the studied BIDs evolved from previous town centre management, regeneration or economic development partnerships with significant business presence. In six of the cases, these seem to have been quite active and the BIDs that have replaced them are therefore carrying forward agendas that had been extensively discussed, and embodied long-standing cooperation between businesses and between them and local authorities. Moreover, the secure nature of the BID levy means that resources have been available to deliver on most key agenda items.

In some cases, the services BIDs provide have represented real savings to business and contributed to offset the costs of the levy (e.g. membership of security schemes such as Pub Watch, collective purchase of waste recycling services). More recently, some BIDs have started to think more systematically about 'cost-neutral' activities, i.e. BID services that allow business to recover part of the cost of the levy, as a way of securing support for the BID in a recessionary environment. The ten cases suggest that this is still incipient and that benefits of this type of initiative are felt differently by different types and sizes of businesses within a BID area.

Another way in which BIDs seem to have represented additional value for both businesses and Council and other service delivery organisations is their ability – or at least the ability of those BIDs that have been active for longer – to function as a conduit between different interests. As BIDs mature they seem to gain recognition as an effective body representing business interests in discussion with the Council, the police, the RDAs and other public agencies, and conversely, as an effective way for public sector organisations to convey their policy objectives to local businesses and gauge and understand their views.

Specifically for local authorities, BIDs have so far played the role expected from them in helping Councils to deliver their regeneration/economic development/town centre management objectives. Moreover, their secure 5-year funding regime and has made them an attractive alternative for the delivery of some services which local authorities can no longer afford, and at reduced costs given their private character and exemption from public procurement rules. This development is becoming more widespread although not widely accepted as positive, but some of the cases have embraced it in different degrees, either out of necessity or as a way of raising income and support.

*Overall, therefore, so far recession and local authority spending cuts have not altered significantly the assumptions that led to the setting up of BIDs in town and city centres and industrial areas. The evidence suggests that BIDs that focus on a clearly defined and widely supported agenda – as many do by virtue of the processes that culminate in their creation – have been able to justify their costs to levy players and local authorities. Moreover, understanding and acceptance of the cost-benefit trade-off represented by BIDs seems to increase, as they become perceived as part of the governance landscape of town/city centres and industrial areas.*



2.1 What has been/is likely to be the impact of the recession on voluntary and other additional contributions and how has this affected/might affect BIDs' finances and their ability to deliver on their agendas?

2.2 What has been/is likely to be the impact of the recession on local authority services and how has this affected/might affect the services BIDs deliver?

2.3 Which public realm interventions are more likely to be affected?

The next three research questions in the study address the impact of the recession firstly on BIDs' additional income sources, and especially voluntary contributions from property owners. Secondly, they address the impact on the activities carried out by BIDs resulting from any changes in income. Lastly, they look at the effects on those activities from cuts in spending and services by local authorities and other relevant public sector organisations.

All but one of our cases rely on the levy for between 75% and 100% of their income, and the evidence suggests that BID 2 (i.e. the re-balloted BIDs) have tended to increase their reliance on the levy rather than voluntary – and thus insecure – contributions or other additional sources of income. This is especially so as regards key business plan activities. Birmingham Retail is the exception, with 56% of its income from additional sources.

As income from the levy is relatively secure and predictable, there is no expectation it should be significantly affected by the recession, at least for the 5-year term of the BID. In practice, minor decline has occurred in a couple of cases, as the recession has increased rates of default or delay in levy payment, especially for BIDs with a large proportion of small businesses, or large number of business failures. In the same way, new developments that would have brought new levy payers under the BID were in many cases delayed or did not materialise (see also British BIDs and University of Ulster 2010). Indeed, four of the cases reported minor problems with payment and collection rates, although the compulsory nature of the levy means that eventually that income will be recovered. Moreover, it has not been uncommon for councils to transfer in advance the levy money to BIDs, thereby attenuating any impacts from levy payment default.

Re-balloting presented BIDs with the chance to re-evaluate levy rates and exemptions, and for some this has meant a reduction of income, whereas for most it has been the reverse. In order to retain support, one reballoted BIDs reduced the levy rate, and another kept the base value at the level of the 2005 business rates list and therefore forfeited the opportunity to raise their levy income in line with the new 2010 list. However, another two had actual gains, as they use the re-ballot to move to the new list, or did not do so but increased significantly the BID area and therefore the number of levy payers.





The legislation regulating BIDs has left open the possibility of voluntary contributions from property owners, and many early business plans referred to them as a potential source for investment in projects. However, in reality only a few BIDs ever acted to secure those contributions. The evidence from the case suggests that the difficulties and the effort involved dissuaded BIDs from pursuing those contributions. Ownership fragmentation, landlord absenteeism and difficulties in tracking ownership seem to have made BIDs reluctant to count on property owner contribution as a complementary source of income. Only two of our cases receive some part of their income from property owners, and in both cases because of a strong involvement of large property owners/developers with the preceding voluntary town centre partnership. In one of them, contribution from shopping centre owners was designed to allow a smaller levy for their tenants. In the other cases, property owners might have contributed but only as levy payers when also occupiers, or as ratepayers for empty properties where this applies. Therefore, whether or not the recession has made property owners less willingly to contribute to BIDs is not a relevant issue.

Income additional to the levy has been nonetheless important in all our cases, albeit in different degrees, and only two of our 10 cases have their activities funded almost exclusively by levy monies. In some cases, additional income has been combined with the levy to support business plan initiatives; in other cases it has allowed the BID to deliver supplementary projects. Additional income has come from four basic sources, with varying degrees of reliability and exposure to the recession and public spending cuts: grants from public sector, private and public sponsorship for events and activities, income from service delivery contracts, in-kind support from local authorities.

Six of our cases are or were in receipt of grants from their local authorities, the RDA or central government programmes, either on a continuous basis or as one-off events. These grants have come mostly from regeneration and economic development funding programmes, and therefore have benefitted mostly those BIDs that could make a case along those lines. In some instances, these grants have been relatively small and have complemented BID core funding. In three cases they have been quite substantial, amounting to 25% of the expected BID income in Nottingham, an extra 60% of annual income for Blackpool as predicted for 2010-11, and 120% extra annual income for London Riverside for 2009-2010, either fully funding the delivery of BID programmes or paying for capital investment to support that delivery. Unsurprisingly, the availability of new grants has been severely reduced by public spending cuts and especially the abolition of the RDAs, and most BIDs are not counting on any new grants to part-fund their activities in the near future. Moreover, there is a general expectation that even grants already conceded but not fully transferred might be cut, at least in part. The impact



of this on BID programmes is discussed below, but it has led to some reallocation of spending within the BID to make up for loss of income, especially when grants part- or whole funded key business plan items.

The second source of additional income is private and public sponsorship of specific events and activities. Six of our case reported income from sponsorship of particular events, either from private sponsors or from their local authorities, and often in kind. For all but one of them, sponsorship has accounted for between 3 and 10% of their income. The exception is Birmingham Retail, with 40% of their income from sponsorship. This high proportion can probably be explained by the size of Birmingham city centre and the kind of sponsorship events it can attract. In all cases, however, recession and local authority spending cuts have had an impact, and all cases reported a reduction in private sponsorship and increased difficulty in getting new sponsors. Similarly, local authority sponsorship for events and activities seems to have declined as a rule, albeit with variation in intensity from place to place and from one event/activity to another, depending on their strategic importance to the Council in question. As an example, council contribution to the funding of CCTV operation in Rugby seems to have been secured until 2015, whereas council co-funding for taxi marshals in Nottingham has been entirely withdrawn.

Half of our cases have derived additional income from the sale of services. One form this has taken is the sale of BID services, which are offered free to levy payers, to non-members within and outside the BID area. Coverage of CCTV and participation in other crime-prevention programmes are the most commonly sold services. Blackpool and Rugby have derived 20 and 28% of their income from that source, and Albion expects to secure similar amounts as they replace a previous and unsuccessful voluntary donation scheme with a contract-based sale. No decline in income is expected here, as security remains the central concern in the areas covered by those BIDs. The other way income is obtained is through contracts between the local authority or business and the BID for the delivery of specific services. Team London Bridge have raised 13% of their income through delivering projects and services commissioned by individual businesses and property owners, especially related to public space and corporate social responsibility. Although there is some likelihood that the recession might reduce this type of income, no significant impact is expected. Similarly, Kingston have raised 20% of their income delivering services as a contractor for the local authority, especially the management of street markets and market hall. This has involved complex negotiations with the Council to secure that the price paid for the service allows the BID to capture efficiency gains. No reduction in income is expected for the duration of current contracts, which expire in 2012.

Lastly, additional income has also taken the shape of in-kind contributions from local authorities. In all our cases, the costs of setting up the BID were covered wholly or in part by the local authority, and in seven of the cases local authorities have subsidised at least part of the operational costs (e.g. personnel, accommodation, levy collection, audit costs). Some local authorities have transferred the levy in advance of actual collection, thus shielding the BID from defaults and delays. Only a minor part of this contribution is recognised in BID budgets, and therefore it is difficult to estimate how much it amounts to in each case. Given the relatively fixed costs involved in operating a BID, it probably accounts for not less than 20 to 25% of the income of smaller BIDs. As most of this contribution is in kind and not easily convertible into savings, there is no expectation that it will decrease significantly with spending cuts, at least as long as local authorities perceive BIDs as part of their governance and service delivery strategies for towns/city centres and industrial areas.

*Therefore, the evidence from the study suggests that overall, recession and public spending cuts have negatively affected BIDs' income but so far not in any significant way. The levy is the main source of income for the majority of BIDs, and it has remained relatively stable. Local authority support in kind, although less significant has also remained constant, freeing up resources from operational costs to core activities. Voluntary contributions from property owners have been of any significance in one case only and this seems to be secure for the time being. Income from the delivery of services is guaranteed through contracts and in the only case in which this is significant, it is too early to predict what might happen to this source of income in the future when contracts are reviewed. The real impact of recession and spending cuts on income comes from the sharp reduction in grant funding from public bodies, and to a smaller degree, public and private sponsorship of events and projects. The consequences of this for the programmes run by BIDs are discussed below but as a rule, they have been more significant where grants and sponsorship were counted upon to deliver core business plan programmes. Where these were used to extend the scope of existing projects or to fund additional projects the impact has been less noticeable. Significantly, business plans approved in the re-ballot have often moved away from any reliance on grants and other insecure forms of funding for key programmes, and have tied more closely their key objectives to what can be funded through the levy.*





The ten BIDs examined in this research have delivered a wide range of services, but these are overwhelmingly concentrated in two headings: 'safe and secure' (CCTV operation; radio links between mobile patrols, the BID and the police; street wardens/rangers; taxi marshals), and marketing and events (festivals, festive lights, loyalty schemes, publicity). Additional street cleaning is delivered by most BIDs, but the service is only significant in three of the metropolitan BIDs. For the others, it is a minor component in their portfolio of services, and often conflates at least in part (removal of fly-tipping and graffiti) with 'safe and secure' programmes. A few BIDs offer some sort of business support service, from joint procurement of waste recycling to networking opportunities, but apart from the case of Team London Bridge and its corporate social responsibility projects, this remains incipient.

For the majority of our cases, it was too early to appreciate the extent to which public spending cuts would affect public services on which BIDs rely. However, some impact was already being felt, leading to reallocation of spending to make up for shortfalls in public funding for joint projects, or the scaling down or outright termination of projects when the BID could not, or decided not to redirect its spending. Nonetheless, several BIDs expect some reduction in local authority services and especially street cleaning (reduction of frequency, removal of night cleaning). However, the impact of this in the BID area is not expected to be significant. Most BIDs in the study sample deliver

some street cleaning service, although this tends to be of a different nature from local authority routine cleaning (e.g. emergency cleaning). Therefore, the issue of additionality would not immediately arise from cuts, unless the effects of those cuts are seen to be too detrimental to the trading environment and the need arises for the BID cover the gap. The latter has not happened yet in any significant scale and BID managers have been careful to secure support from levy payers in the cases in which this issue has arisen. Similarly, minor cuts in police spending have meant reduced patrolling in some BID areas, posing the same dilemma to BIDs as to whether or not to reallocate funding to cover the shortfall.

The impact of cuts has been more noticeable in non-statutory services or projects co-funded by the BID and local councils. Six of the BIDs have employed rangers, street wardens, or marshals, jointly funded with the local authority. Whilst in two of them council funding is still secured in whole or in part, in the other four the BID has had to step in to become sole funder of the initiative. The effect of this has been less severe for larger BIDs, but more so for smaller ones, as the costs associated with funding such initiatives represent a large part of their total budget, and reallocation of resources to cover the deficit might have led to the scaling down or postponement of other programmed activities. The same pattern emerges in the funding of events, such as Christmas lights, festivals or floral displays. Of the six BIDs which have an events programme joint-



funded with the local authority, two have assumed full funding to keep the programme going, whereas the other four have had to scale down or cancel events and activities that they could not afford on their own.

Three of our cases have the operation of CCTV systems as their main spending items, with varying arrangements for co-funding with their local authorities. In all three, capital investment was funded through grants and the operation is covered in different proportions by the BID levy and contractual payments or in-kind contributions from the local authority. Cuts in grants have meant that new capital investment in the expansion or updating of these systems has become difficult, as considerable amounts of resources are required. In two of those cases, programmes for expansion or improvement of coverage have been halted for the time being. So far, local authority contributions to the operation of CCTV systems have not been affected and agreements and contracts have held. However, cuts in operation funding have happened in at least two other cases, where BIDs had not been involved with CCTV so far and were now under pressure to consider whether they should step in to make up for the shortfall. There have been indeed a number of cases of cuts in services which, whilst not affecting the ten BIDs directly, are nonetheless relevant to their objectives and their performance. Cuts to CCTV 24-hour operation in Truro as in the above paragraph was one case, as were cuts to a number of events in Nottingham and the closure

of a visitors' centre in Kingston. In a few of these cases, and where funding could be reallocated, BIDs have taken over the service at least in part. In others, especially when the service in question was outside the remit of the existing business plan, the possibility of a future contribution by the BID has been referred to the BID board or to the new business plan in a coming re-ballot.

*Overall, the impact of the recession and public spending cuts on BIDs activities and services has not been significant, although this will be truer for some BIDs than others. In most cases where there was reduction to services, these have been at the margins, and BIDs seem to have been able to make up for it through cross-subsidisation or re-allocation of spending. Only two of our 10 cases reported more serious problems, resulting from the reallocation of resources to cover for a shortfall in public funding for essential projects that had been originally conceived as jointly funded interventions. This has led to cancellation and postponement of other projects, which might cause problems later as the BID comes for re-ballot and has to demonstrate its achievements. In part, the relatively small impact to date of the recession and spending cuts on BID activities can be explained by the stability of levy incomes, which once approved are more or less guaranteed for 5 years. With one or two exceptions, BIDs have learned to rely on the levy income for their most important projects, and this is even more evident for those in their second terms. Therefore, reduction in grants and sponsorship income has not substantially affected their core activities. However, in part this is also because spending constraints on the public sector and on local authorities in particular have yet to be fully reflected in service delivery, and more significant impacts might become apparent in the near future. Awareness of this seems to have shaped the strategies adopted by most of the cases, reflected amongst other things on the nature of spending plans that have been or are being put forward for re-ballot, with a clearer distinction between core funding and additional funding.*

## 2.4 How BIDs are dealing with the resource constraints outlined above

The next research question looks at the strategies BIDs have adopted to cope with actual or potential reductions in income and their effects on their activities. Nine of the BIDs were created before the end of 2007, with the approval vote reflecting a process of discussion around functions and objectives initiated a year or more earlier. Those BIDs were therefore conceived before the events marking the onset of the credit crisis and recession, and their business plans reflected the context of a growing economy, with scope for significant public sector support through grants and other forms of contribution. Since then, they have had to adapt to the new, more constrained funding environment. Those that have renewed their mandates in the last two years have had the change to secure formal stakeholder approval for any readjustment of their objectives and the scope of their activities. Others have had to adjust existing business plans, whilst hoping to retain the support of levy players.

Many pre-recession business plans seem to have been quite ambitious in terms of both their coverage and expected additional income, and committed the BID to address a wide range of issues for which the levy income alone would not suffice. Decreases in grant funding, sponsorship and local authority participation in projects have led to a shift in focus towards a few key projects for which there is strong consensus amongst levy payers, and on whose success the reputation of the BID depends. This seems to have happened to different degrees in all the cases bar some of the larger metropolitan BIDs. Spending has been reallocated amongst projects to secure key initiatives are not affected, be they crime and safety programmes, events such as Christmas lights or the deployment of sufficient numbers of street rangers/wardens. In most cases, the impact of this strategy on other activities has been small, but in two of them (Nottingham and Bury St Edmunds) it seems to have been more noticeable, with cancellation or significant reduction of other planned initiatives. Not surprisingly, BIDs that have recently renewed their mandate have proposed less ambitious and less detailed business plans, often concentrating on a few core initiatives funded entirely through the levy.

The refocusing of BID agendas reflects an underlying concern with the perception of BIDs among levy payers, on whose support their existence depends. The evidence suggests this concern has increased, as many of the cases have had to face re-ballots under unfavourable and uncertain economic conditions. Consequently, many BIDs have concentrated their focus on core safety and/or marketing initiatives, and especially those that can produce quick and visible impacts (e.g. more uniformed rangers, safety patrols, and minor but highly visible public realm improvements). Some interviewees have characterised this as a move away from a strategic approach to the success of the town/city centre industrial area contained in the earlier business plans, towards a

more short-term, operationally focused approach, more sensitive to the day-to-day issues affecting levy payers and the BID area.

With levy payers facing an adverse economic situation, BIDs have had to find ways of demonstrating more clearly the value added by the levy. A few of the cases are already exploring forms of joint procurement of e.g. waste collection and recycling, taking advantage of economies of scale obtained through the BID as collective purchaser of services. The principle is to offset the cost of the levy to businesses with savings in the purchase of services, so that the BID is effective 'cost neutral' to its members. Although this is still limited to a few examples, all the cases manifested the intention to pursue 'cost neutral' initiatives further, with joint purchase of energy or similar services. However, this is not perceived as a problem-free approach, as measures of this nature benefit different types and sizes of businesses differently (e.g. collective purchase is more likely to benefit small local businesses than larger national concerns which might have their own in-house joint procurement systems). Some managers have expressed the concern that what might justify the levy for one group of levy payers might appear as undue subsidy to others.

In 2010, the UK Valuation Office Agency issued a new rating list for business properties, replacing the 2005 list upon which BID levies had been calculated. For the majority of businesses everywhere this represented an increase in their rateable value, and consequently a potential increase in the value of the BID levy. In the majority of our cases, the reassessment has not been immediately applied, mostly as a way of reducing the financial burden of the BID on smaller business and securing their continued support. This strategy was adopted by the smaller of the cases and by those with a large proportion of smaller businesses. In at least four cases, maintaining the levy at the level of the 2005 rating list was a commitment undertaken by the BID for the re-ballot. Only the larger and more prosperous BIDs and the ones containing a significant proportion of larger businesses seem to have been able to change immediately to the new values.

Finally, BIDs have been trying to find alternative way of raising income to supplement the levy. How successful they have been has depended on the specific context in which they are located, the type of businesses they serve and the role they have developed in the governance of their areas. Blackpool has used its community interest company status to secure grant funding from community regeneration programmes to complement its own range of initiatives. Although these grants have also been reduced, the rise of the 'Big Society' agenda suggests that in the future they might be more readily available than the types of grants BIDs have relied on up to now. Birmingham Retail has relied upon the national significance of its area and its economic resilience to secure significant additional income from events, and Birmingham and London Bridge have made use of the stakes of large developers and



property investors in their area to secure either voluntary contributions or political and administrative support. Kingston has taken over council services as a profit opportunity, creating additional income that is relatively secure for the duration of the service transfer contracts. However, this is an approach many BIDs have been reluctant to follow. Reluctance seems to derive from potential problems associated with a client-contractor relationship with the local authority, and the complexity and risks inherent in service transfer contracts. Lastly, several of our cases have relied on close relationships with their local authorities to secure that relatively high levels of support in kind are kept unchanged in spite of cuts in local services elsewhere.

*As the evidence shows, all the cases have had to readjust their expectations of income and delivery potential to a much leaner economic and funding environment. Some have had to do that to a larger degree, depending amongst other things on the size of the BID, the nature of the businesses they represent and their location, and especially on how much their business plans reflected the pre-2007 economic environment. As a rule, those that had put more reliance on additional sources of income to fund their core agendas have had to adjust the most. For many, the re-balloting process has presented BIDs with the opportunity for putting any significant readjustments of strategies in a more formal footing. Most of the cases have had to reallocate spending to make sure that key activities were not affected by decreases in grant or other additional funding. In many of the cases, there was also a narrowing of focus towards a few core services. Initiatives aiming at offsetting the cost of the levy to businesses through e.g. joint procurement have been adopted to better justify the BID levy and ensure continued support from levy payers. The same applies to the ways BIDs have dealt with the 2010 business rates reassessment. At the same time, the evidence suggests that some BIDs have used the constraints posed by recession and public spending cuts to re-think their roles and some of the coping strategies point to potential new roles as service delivery organisation, community enterprise, business support entity, pressure group, etc. all with their own challenges and opportunities.*



### 3.1 What are the immediate and longer-term implications for BIDs as a public realm management model?

The penultimate research question tries to understand the immediate and longer-term implications of the processes described above for BIDs as stakeholder-based public realm and area management organisations. Those implications can be deduced from the challenges and opportunities BIDs currently face, as perceived by BID managers and relevant local authorities. Six and more general challenges have been felt in different degrees by all BIDs in this study. These vary from more immediate issues threatening the operation of the BID, to more general concerns with changes in the context in which BIDs operate.

The first challenge relates to the need to gain and retain support of levy payers, and convert passive into active support for the occasion of the re-ballot. This was intensely felt across all cases as they were just coming out of, or approaching a re-ballot. There seem to be several reasons why this has been a challenge even for recognisably successful BIDs. Firstly, BIDs are a relatively new player in the management of their areas, and their precise role in it is still being defined. Secondly, some of their achievements might be quite visible, but the processes that led to it and the role of the BID in them might not (e.g. reduction in incidents of graffiti or fly

tipping, decrease in street-crime). Thirdly, as achievements get absorbed into the background of the area, their origins in the actions of the BID become less apparent, especially where there is a significant turnover of businesses. Many BID managers referred to the need to keep reminding levy payers of the connection between the BID, the levy and improvements to the area that many now took for granted, as well as the need to constantly produce new achievements to prove the continuing value of the BID. Fourthly, and especially so for generalist, town centre-type BIDs, businesses in any area are likely to comprise a significant diversity of types and sizes, with different needs and expectations. In part this issue has been addressed preventatively in the careful definition of BID geographical limits, minimum rateable values for membership and the levy rate itself, leaving out of the BID and the balloting process businesses for whom the BID was unlikely to appeal or whose needs could not be catered for by it. Nevertheless, delivering a range of services that can meet varying needs and expectations within the available resources has proved to be challenging for some of the cases, and especially for those whose profile is not clearly associated with one or two clear-cut initiatives (e.g. CCTV operation or Christmas lights). It should be added that for all these four issues, the recession is not necessarily the root cause, but it has magnified them as it made the burden of the levy more significant, especially for businesses operating at the margins of profitability.





The second challenge refers to changes in the funding landscape brought about by the recession and spending cuts, which are unlikely to be reversed in the near future. Except for three of our cases with annual income in the range of £1 million (Kingston, Birmingham Retail and London Bridge) and the especial case of Rugby (£600,000 from levy + £250,000 from CCTV operation contract with local authority), all the others are in the range of £300,000 to £400,000, or £150,000 for the two industrial BIDs. Typically, management costs capture between 20% and 25% of that income. Moreover, those sums include up to 20% of less secure and therefore potentially variable additional contributions. This means that apart from larger metropolitan BIDs and one or two richer ones elsewhere, most BIDs have limited capacity to invest in the absence of grants, support from the local authority and other forms of additional income. Activities that require capital investment or significant up-front costs will be out of reach. As an example, both industrial BIDs examined in this study are delaying the expansion of their CCTV systems, one of their key pledges, for lack of resources for the necessary capital investment. Unless new additional sources of income can be found, this poses to BIDs the challenge of fulfilling levy payers expectations mostly through relatively cheap, small scale interventions, which are unlikely to address more structural problems facing some of those areas. The risk is that in the longer-term this might put in question the significance of some BIDs

The third and fourth challenges are linked to the idea of additionality of services, which is one of the principles justifying the payment of a supplementary levy on top of business rates. The BID project hinges on the idea of raising additional resources for additional services necessary to make business locations fulfil their role more effectively, and not of replacing public spending with private spending. Although the services provided by the BIDs in this study are rarely a simple extension of those delivered by the local authority or other public sector bodies, they do depend on the latter to be effective. There is not much use in having a quick response cleaning team to deal with emergencies, if the baseline standard of street cleanliness is such that a localised intervention will not make any visible difference. Similarly, the value of a Pub Watch scheme will be questionable if police presence or rates of responses to calls worsen drastically. In none of the 10 areas there is the expectation that standards of basic services will deteriorate significantly, albeit because in some cases they are already minimal. However, there are various examples of BID initiatives that were predicated on joint funding with the local council which has subsequently been withdrawn, leaving BIDs to choose between a reduced standard of service and the reallocation of funds between programmes to maintain the existing standard. According to the legislation, the standards of public services in the BID area, which the BID would complement, should be set out in service level agreements between the BID and the local council. Although all the ten cases have such agreements formally

set out, they appear to be less of a guarantee of standards than could be expected. The general perception is that they are not enforceable, and only the commitment of the council to the success of a BID or political pressure and lobbying from those affected can ensure those agreements are respected. The consensus in all the cases is that the full impacts of spending cuts on local services have yet to be felt, and the challenge therefore is how to secure that service standards are maintained if the pressure for cuts in local authority services becomes overwhelming.

Related to the above, the fourth challenge comes from one of the approaches to tackling service cuts. Nearly all the cases have reported various degrees of pressure to take over services traditionally run and funded by the local authority or other public bodies, from Christmas lights to street markets, street cleaning and graffiti removal. Whether BIDs should do so and in what circumstances remain controversial issues. Of the 10 cases only Kingston has fully embraced the role of service deliverer, using income produced by efficiency savings in the delivery of council services to cross-fund its own programmes. Others have been reluctant to do so because of the risks involved and the perceived loss of independence associated with the role of contractor to the council. A few of the cases have taken over specific initiatives or events previously run or funded by their councils, and others have entered contractual relationships with them, but in most cases this has not amounted to a take-over of public services. However, BID managers are aware that pressures to adopt this approach are likely to be felt more intensely as the impacts of spending cuts become more evident and the funding landscape changes even further. As suggested by concerns about CCTV monitoring and street cleaning services, a BID take-over might be the only way of ensuring that standards of some services are maintained. Therefore, BIDs have grappled with the challenge of adopting a response to this issue that is appropriate to the circumstance of each BID, but which also manages to secure the right balance between opportunities and risks.

The fifth challenge has to do with the strategic roles BID can play in the development of their areas. The study suggests that some BIDs have abandoned a more ambitious and longer-term perspective of their roles and shifted to a shorter-term, operational focus. As indicated above, there are clear reasons why they have done so. However, on-going changes in the institutional set-up of local government, urban regeneration and planning. (the Localism Bill, neighbourhood planning, abolition of RDAs, Big Society policies) suggest that BIDS might be pushed by the circumstances to adopt to a more strategic function. Future government funding for economic development and social programmes through voluntary and private sector organisations might require the BID to play the role of leading partner in funding bids. For this, strategic long-term thinking might be required, taking into account interests other than levy payers. As pointed out by one interviewee, so far in all but the largest BIDs there

seems to be a tacit division of labour in which the council thinks about strategy and the BID concentrates on delivering a couple of services to a specific group of businesses. The institutional changes mentioned above suggest this model might need to be reconsidered, and the challenge will be how to do this without reducing the strength of the connection between the BID and clearly defined business needs.

Finally, the sixth challenge detected in the interviews comes from impending changes in the set-up underpinning the BID model, and more particularly the business rates system. This is a more general challenge, which might become an important issue over the next coming years. As the situation now stands, BIDs exist as a way of generating a small amount of surtax on business rates, which is then re-invested locally according to priorities formalised in an approved business plan. At present, this makes sense because of the national tax character of non-domestic business rates, pooled in a national pot and redistributed back to local authorities according to a formula unrelated to local priorities. The BID levy is therefore the opportunity for businesses to raise money that will be necessarily invested into what they perceive as the main needs of their locations, and on which they have full control. However, proposals currently being contemplated by the government are looking at the possibility of local authorities retaining part of the income generated by business rates to reinvest in their own economic development priorities. It is unlikely that this will provide the same degree of direct correspondence between tax raising and spending that the BID levy does. However, if the retained business rates were to create a clearer link between tax raised and spend in a locality, this might weaken the case for the BID levy and therefore for the BID itself. In a parallel development, the UK government Big Society agenda presupposes a different model for funding capital investment in infrastructure, based on contributions from potential beneficiaries in the private sector complementing state funding. Supplementary Business Rates (SBR) are part of this, and seem to be the way the UK government expects to fund key infrastructure projects in the near future. There have been discussions about the implications of a widespread adoption of SBR, which have included the impact an extra levy might have on BID areas. Currently, the Business Rate Supplements Act 2009 gives local authorities discretion over whether or not to deduct the BID levy when calculating the rate of SBR for businesses in BID areas, and the concern has been that the case for BIDs would be much weakened if its levy became an extra burden on local businesses. In another parallel development, licensing laws are being revised and some of the proposals include powers for local authorities to raise levies from licensed businesses to cover the costs of street cleaning and policing. This again would make it more difficult to justify a BID levy on the businesses affected. Therefore, the challenge felt by some of the interviewees is how BIDs or any similar organisation could

adapt to an emerging institutional landscape in which businesses are required to fund a range of local and regional services and infrastructure projects through a variety of surtaxes.

The need to adjust the BID model to cope with recession and public spending cuts has also brought some opportunities for BIDs to consolidate their roles. The close links between BID activities and the needs and expectations of levy payers, reinforced by the recession, has led to an increasing perception of the BID by the local authority as a representative of local businesses, with whom they can discuss and gather support for their own policies. This was more visible in some cases than in others, but in general, it translated into an increasing role for BIDs as consultees in e.g. planning and parking policy decisions, membership of regeneration partnerships and so forth. Conversely, on the part of levy payers there seems to be an increasing recognition of the BID as a channel to communicate effectively with the council, the police and other public bodies. Both trends suggest a potentially important role for BIDs not just as the vehicle for the delivery of a levy-funded business plan, but also as a consortium of local businesses conveying to policy makers the expectations and needs of businesses in their areas, but also and more importantly, helping to shape and calibrate policies with local impact. Moreover, recession and spending cuts have affected the ability of local authorities to direct extra resources to town/city centres and important industrial districts. BIDs have already acquired a status as well-resourced players in the management of those areas, and the cases in this study suggest this role can be explored further.

The challenge to find alternative sources of additional income, especially capital investment, has led BIDs to explore different paths. Whether or not these experiences can be generalised will depend on the particular context of each BID. However, it should be noted that the government's drive towards policy delivery through organisations outside the public sector will increase the opportunities for civil society organisations to become leading bodies in future urban regeneration and economic development programmes. As they become established as key players in the management of town/city centres and industrial districts, BIDs will be in a good position to play that role.

*Overall, therefore, our study suggests that the recession and spending cuts have indeed presented BIDs with a few challenges. Issues of funding, managing the expectations of levy payers and local authorities in a more adverse environment, defining role and their purpose within the changing landscape of area management, have all affected most BIDs albeit in different ways. Nevertheless, the model so far seems robust enough to cope with the challenges, and the renewed mandate achieved by half of the cases in this study testifies to that. However, economic recovery is still weak, local authority spending cuts have not yet run their full course, and potential changes to the*

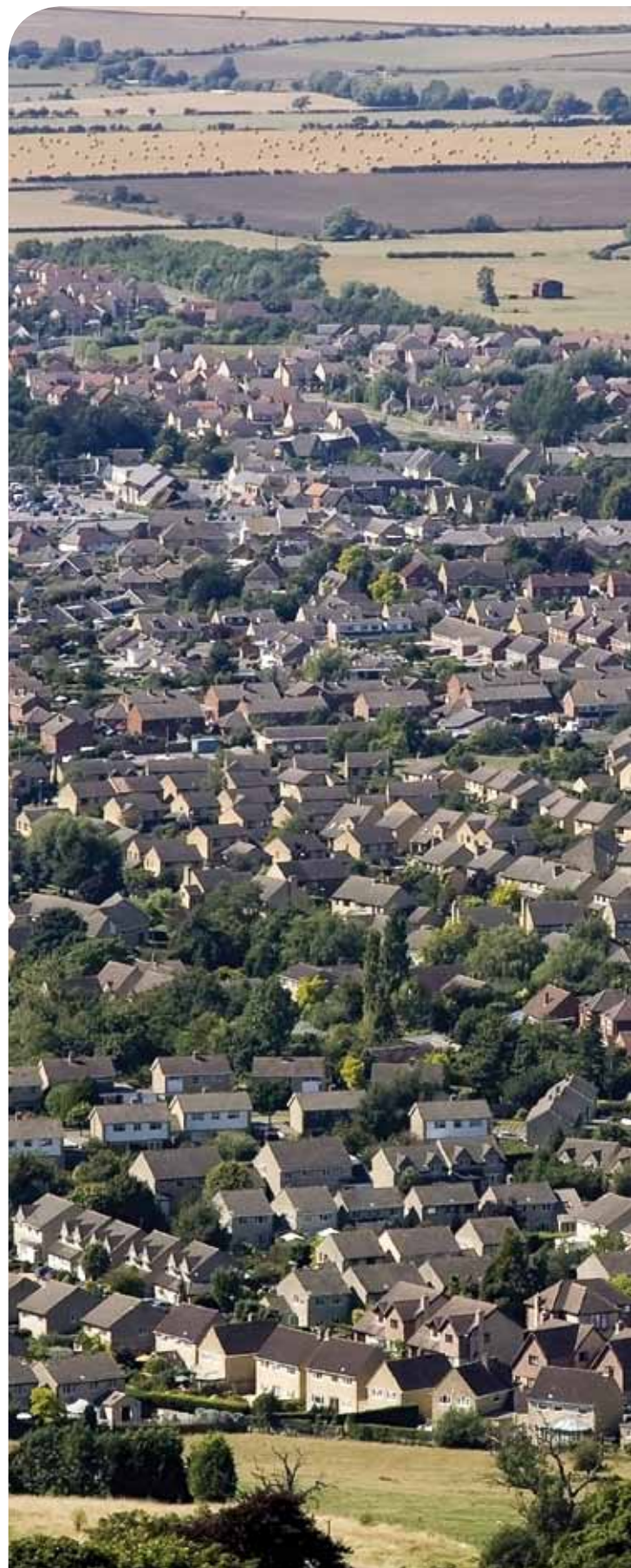


*business rate system and local authority finances could present a more structural challenge to BIDs. Nevertheless, there is now some acceptance of the idea that people and businesses should have a larger say in the management of the areas in which their stakes are significant, and if they so wish and under clear rules, they should be able mobilise their own resources to realise their aspirations. How exactly BIDs will fulfil this role in the near future may vary from how they have done it so far. The study has showed how diverse BIDs already are, and highlighted a number of possible routes for BIDs to consolidate their position as part of the governance set-up of town and city centres and industrial areas:*

- *A move towards a business services focus, with BIDs becoming de-facto consortia of local businesses, with some public realm intervention along the safe, clean, image agenda but subsumed into a strong business association ethos, seeking forms of securing competitive advantages for their members.*
- *An increase in the entrepreneurial character of the BID, with a focus on income increase through public service delivery contracts, sale of services, seeking a major role as leading partner the delivery of urban regeneration and economic development projects and grant holders for those projects*
- *A narrowing of remit, reinforcing the association of the BID with the delivery of one or two key activities that are regarded as high priority by local businesses. These could be e.g. CCTV operation, or the promotion of particular events, in a much more restricted, but more focused agenda and more self-evident role.*

*Evidently, these alternative paths contain some simplification of a more complex reality. However, they do reflect options that are beginning to take shape amongst the ten cases.*

*It would not be unreasonable to hypothesise that as BIDs consolidate their roles in the management of their areas they will assume more of the characteristics of one of those three 'models'. Larger, wealthier metropolitan core and periphery BIDs might become more entrepreneurial. Smaller town centre and metropolitan periphery BID with more homogeneous business bases might acquire a more visible consortium dimension. Town centre and many industrial area BIDs in more distressed areas might develop into a better-funded business equivalent of a neighbourhood watch association, with overriding focus on safety and crime prevention, or if in more affluent areas, assume the character of events managers. In any case, the evidence from the study is that BIDs are now part of the mechanisms for the management of town/city centres and many industrial areas, and even if the basic model changes it is unlikely to disappear.*



As a conclusion to this study, this section tries to provide a tentative answer to the last and more general research question:

### 3.2 What are the immediate and longer-term implications for urban areas and their public realm?

The research strongly suggests that the recession and spending cuts have had some impact on most BIDs, but so far this impact has been manageable and the model itself has not been put in question. Moreover, shifts in the relationship between the state and civil society, of which the current government's Big Society agenda is only the latest instalment, will ensure that stakeholder-led urban governance structures like BIDs are likely to become more, not less common, and might even be given further impetus by public spending cuts, especially if these constitute a more structural phenomenon. Town/City centre and industrial area management with strong input from business occupier in both coordination and implementation of a variety of initiatives has become a feature of urban governance in the UK, and this will become even more the case as BIDs get more embedded in governance systems.

However, there are some structural changes in the institutional background of BIDs, to grant funding regimes, to the financing of public investment and even to local government funding and the business rates system. These are likely to require changes in how BIDs operate, and therefore in their roles in the governance of their areas. Some of these changes could already be detected in the study, and are summarised in our suggestion of future alternative paths for BIDs, presented in the previous section.

In this context, what would then be the immediate and longer-term implications for urban areas and their public realm deriving from the consolidation and evolution of BIDs as part of the urban governance landscape? The roles of BIDs in public realm management are already diverse, as our cases demonstrate. They vary from a minor role in complementing local environmental services, to being active players in the transformation of public places into arenas for festivals and spectacle, to coordinators of surveillance, policing and of the implementation of banning orders and other forms of legal exclusion from the area or parts of it – although not in any of the 10 cases as enforcers of such measures. Moreover, they play those roles from a perspective that is clearly defined: that of levy paying businesses. The main impact of the recession and spending cuts on those roles is the same as that on the BID as area manager: a shift in focus away from activities regarded as less important, postponement of more ambitious interventions that might have required significant capital investment, occasional take-over of parts of public services with impact on the public realm, etc.

Overall, BIDs have not added another layer of public realm management, independent of, and in conflict with, the local council. BIDs autonomy to shape the public realm has been limited by both the amount of resources available to them and the nature of their relationship with the local authority. What they seem to provide is mostly a mechanism for coordinating and complementing services and activities already in place. This is so even as regards safety & security, an area of BID activity that has been particularly scrutinised in the academic literature for evidence that BIDs could signal a privatisation of the public realm and an increase in restrictions to access to it (see e.g. Minton 2009). As the evidence from this study suggests, the main role of the BID has been to coordinate and facilitate the use of tools of surveillance and control that are already available and frequently deployed in town centres by the local authority or the police (e.g. CCTV systems, Pub Watch, radio links between shopkeepers and the police, etc.). Therefore, here as in any other area of public realm management, comparisons between the roles of BIDs and those of the private companies that manage private spaces with public access should be made with extreme caution.

Perhaps the best way to describe how BIDs interact with the public realm of their areas is the idea of 'trading environment'. The quality of the public realm is indeed important for BIDs, not for its own sake, but because it represents the environment in which its members do their trading. Its quality can influence how well they can do that trading, how competitive they can be in relation to other locations, how easier it is to attract customers and employees. Whether or not improving the trading environment requires extensive public realm interventions will be determined by the particular context of each BID area. In our 10 cases, this varied significantly and so did the engagement of the BID with public realm management.

The implications for the public realm of the evolution and consolidation of BIDs along the lines suggested in this study will therefore be varied. Some BIDs (e.g. those adopting a more entrepreneurial route as described above) are likely to play an increasing role in the delivery of public realm services and the shaping of public realm quality. Indeed, some BIDs have become de facto consultees in planning applications and other built environment interventions as the 'voice of local businesses'. In those places, the existence of adequate mechanisms to harmonise the interests of levy payers with those of other local stakeholders will be of great importance. Others (e.g. those focusing on marketing and events) might have a far more occasional impact on the public realm, with a more pronounced role of the local authority in mediating that impact. Others still have had a minimal role in public realm management, acting more as monitors for levels of quality delivered through local authority programmes. This suggests that theorisations on the role of BIDs in shaping the public realm and the way it is used will have to be more complex and sophisticated than they have been so far.





However, in many senses BID s are still new forms of articulating and mobilising stakeholder interest in the management of the parts of urban areas that are relevant to them. The 6-year period since the first UK BID was set up has been enough to show how BID s have been absorbed into existing urban governance systems and practices in periods of both prosperity and recession, but not enough to generate a more solid understanding of their long-term prospects and impacts in the life of towns and cities.

Therefore, understanding how BID s operate, what aspirations they represent, how they relate to other aspirations and to broader policy objectives, and how these are all shaped by fluctuations in the economy, are important elements in thinking critically about the limits and potential of emerging forms of urban governance, and getting to grips of what they might represent in the future. Hopefully, this study will have contributed to that objective.



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# List of BIDs in operation in September 2010

(Source: UKBIDs and Author's research)

Name of Bid	Region	Type of location	Renewal (Yes/No)	Date of ballot	% Support (NB & RV)	Turnout (%)	No. Hereditaments	Income (annual)	Rate of Levy
Alloa Town Centre BID	Scotland	Town Centre	No	16/10/08	93 / 93	57	220	£713,655	
Altham BID (2nd Ballot)	NW	Industrial Area	Yes	08/11/06	61 / 70	70	56	£266,000	
Angel Town Centre BID	London	Metropolitan Centre	No	23/02/07	77 / 83	51	339	£333,000	
Argall BID	London	Industrial Area	No	23/05/07	86 / 93	unknown			
Astmoor Industrial Estate	NW	Industrial Area		06/12/07	72 / 77	65	156		
Barnstaple BID	SW	Town Centre	No	04/03/10	62 / 54	41	413	£138,000	
Bathgate BID	Scotland			14/03/08	93 / 82	45	413	£775,800	1%
Bayswater BID	London	Metropolitan Centre	No	20/11/09	59 / 60	35		£550,000	2%
Bedford BID (2nd BID Ballot)	East of England	Town Centre	Yes	29/03/10	60 / 73	42	506	£832,200	2%
Better Bankside BID (2nd Term Ballot)	London	Metropolitan Centre	Yes	26/02/10	86 / 82	52	460		1.40%
BID Leamington	West Midlands	Town Centre	No	31/03/08	61 / 63	41		£306,000	1.50%
BID Taunton	SW	Town Centre	No	31/07/07	72 / 67	42	820	£250,000	1.50%
BID4 Bury	East of England	Town Centre	No	01/12/09	59/68	32	380	350,000	1.75%
Birmingham Broad Street (2nd Term Ballot)	West Midlands	Metropolitan Centre	Yes	13/11/09	94 / 96	58	292	400,000	Variable by type of business: 2%, 1%, 0.5%
Blackburn EDZ Industrial Estate BID	NW	Industrial Area	no	02/08/07	89 / 89	40	248	£150,301	Banded 0.5 to 3%
Blackpool Town Centre	NW	Town Centre	No	23/08/05	89 / 74	40	802	£430,000	1%
Bolton Industrial Estates BID	NW	Industrial Area	no	01/04/06	72 / 84	46	300		
Boston BID	East Midlands	Town Centre	No	22/10/08	73 / 83	24		£135,000	1%
Brackmills BID	East Midlands	Industrial Area	No	01/04/09	90 / 95	42	150		
Brighton	SE	Town Centre	no	26/05/06	64 / 70	46	383		
Bristol Broadmead (2nd Term Ballot)	SW	Town Centre	Yes	31/10/08	55 / 55	53	278	£450,000	1.50%
Camden Town Unlimited	London	Metropolitan Centre	no	01/03/06	83 / 84	50	315	£500,000	1%
Cannock Chase BID	West Midlands	Industrial Area	No	30/03/07	62 / 68	44	285	£150,000	
Cater Business Park	SW	Industrial Area	No	5/2/07 - April 12	90 / 80	56	52		
Clackmannan-shire BID	Scotland	Industrial Area	No	01/04/08	85 / 79	48	286	£100,000	
Colmore Business District	West Midlands	Metropolitan Centre	No	27/02/09	87 / 90	50	614	£690,000	
Coventry City Centre BID (2nd Term Ballot)	West Midlands	Town Centre	Yes	29/02/08	83 / 85	36	700	£331,421	0.90%

# RICS Research – BIDs, Economic Recession and the Future of Stakeholder-led Public Realm Management

Name of Bid	Region	Type of location	Renewal (Yes/No)	Date of ballot	% Support (NB & RV)	Turnout (%)	No. Hereditaments	Income (annual)	Rate of Levy
Coventry City Wide BID	West Midlands	Town Centre	No	22/02/07	54 / 59	33	2500	£2,350,000	
Cowpen Industrial Association BID	NE	Industrial Area	No	05/10/06	88 / 87	32	104	£57,500	
Croydon BID	London	Metropolitan Centre	No	28/02/07	63 / 70	44	598	£1,154,157	
Daventry First	East Midlands	Town Centre	No	13/03/08	74 / 80	27			
Derby Cathedral Quarter BID	East Midlands	Town Centre	No	28/11/07	85 / 74	43	507	£250,016	1.50%
Dorchester BID Company	SW	Town Centre	No	29/02/08	81 / 84	56	430	£96,000	
Dublin City Centre BID	Ireland	Metropolitan Centre	No	30/10/07	77	/	/		
Dumfermline BID	Scotland	Town Centre	No	19/06/09	73 / 62	47	/		
E11 BID	London	Town Centre	No	22/06/07	95 / 91	42	315	£55,000	
Ealing	London	Metropolitan Centre	no	28/03/06	65 / 64	51	450	£450,000	1%
Edinburgh BID	Scotland	Metropolitan Centre	No	27/05/08	58 / 63	44	573	£914,000	
Erdington	West Midlands	Town Centre		29/03/07	74 / 55	31	313	£100,000	
Falkirk BID	Scotland	Town Centre	No	09/05/08	70 / 61	39			
Falmouth BID	SW	Town Centre	No	13/03/09	70 / 67	54	409	£94,000	
Garratt Business Park Management	London	Industrial Area	No	17/12/08	90 / 90	67			
Great Yarmouth BID	East of England	Town Centre	no	28/03/06	82 / 88	44	200	£175,000	1.5%
Hainault Business Park Business Improvement District	London	Business Estate	no	20/03/06	85 / 93	52	160	£40,000	
Halebank Industrial Estate	NW	Industrial Area	No	06/12/07	72 / 70	50	36		
Hammersmith	London	Metropolitan Centre	No	29/03/06	57 / 70	48	350	£590,685	
Hams Hall BID	West Midlands	Town Centre	No	31/07/09	86 / 82	79			
Heart of London Business Alliance (2nd Term Ballot)	London	Metropolitan Centre	Yes	26/02/07	86 / 89	62	216	£639,833	
Hinckley BID	West Midlands	Town Centre	No	18/11/08	64 / 70	39			
Hitchin BID	East Midlands	Town Centre	No	07/04/09	70 / 70	48			
Hull BID	Yorkshire & Humberside	Town Centre	No	18/10/06	81 / 76	45	1500	£500,000	1%
Ilford BID	SE	Town Centre	No	20/03/09	67 / 64	36	489	£307,000	
InHolborn (2nd Term Ballot)	London	Metropolitan Centre	Yes	26/02/10	86 / 90	46	702	£2,464,365	
InSwindon	SE	Town Centre	No	01/02/07	69 / 54	41	542	£500,00	
Inverness BID	Scotland	Town Centre	No	18/03/08	73 / 84	34	680	£300,000	
Ipswich	East of England	Town Centre	No	24/07/06	66 / 70	49	704	£510,428	
Keswick	NW	Town Centre	No	22/09/05	55 / 74	50	463	£109,000	

Name of Bid	Region	Type of location	Renewal (Yes/No)	Date of ballot	% Support (NB & RV)	Turnout (%)	No. Hereditaments	Income (annual)	Rate of Levy
Kimpton BID	London	Industrial Area	No	06/02/09	86 / 87	63		£40,000	
Kings Heath BID	West Midlands	Metropolitan Centre	no	28/08/07	74 / 53	27	322	£120,000	
Kingstonfirst (2nd Term Ballot)	London	Metropolitan Centre	Yes	24/07/09	70 / 74	42	892	£1,080,000	1%
Kirkcaldy BID	Scotland	Town Centre	No	04/03/10	66 / 63	38	500	£144,000	
Lancing BID	SE	Industrial Area	No	08/04/08	65 / 83	50	211	£107,000	
Lincoln BIG (2nd Term Ballot)	East Midlands	Town Centre	Yes	29/10/09	79 / 85	53			
Liverpool BID (2nd Term Ballot)	NW	Metropolitan Centre	Yes	17/10/08	64 / 68	42			
Liverpool City Central BID (2nd Ballot)	NW	Metropolitan Centre	Yes	20/10/05	62 / 51	56	464	£564,000	1.20%
London Bridge	London	Metropolitan Centre	No	17/11/05	71 / 78	50	317	£592,177	
London Riverside BID	London	Industrial Area	No	26/02/07	82 / 68	30	272	£100,000	
Longhill and Sandgate BID (Hartlepool)	NE	Industrial Area	No	12/11/07	80 / 94	29	199	£40,000	
Mansfield BID	East Midlands	Town Centre	No	12/03/10	55 / 66	44	505	£288,000	
New West End Company (2nd Term Ballot)	London	Metropolitan centre	yes	21/12/07	63 / 73		309	£2,400,000	1%
Newcastle BID	NE	Metropolitan Centre	No	24/11/08	67 / 59	52	1179	£1,488,713	
Nottingham Leisure BID	East Midlands	Metropolitan Centre	No	26/10/07	75 / 75	33	266	£245,000	
Oldham BID	NW	Town Centre	No	06/12/06	76 / 56	45	409	£148,952	
Paddington BID (2nd Term Ballot)	London	Metropolitan Centre	No	30/10/08	97 / 99	unknown	349		
Plymouth BID (2nd Term Ballot)	SW	Town Centre	Yes	19/10/09	89 / 92	45		£700,000	1.16%
Preston BID	NW	Industrial Area	No	28/11/08	73 / 83	25	732		
Reading BID2 (2nd Term Ballot)	SE	Town Centre	Yes	13/02/09	59 / 67	45		£305,000	
Retail Birmingham BID	West Midlands	Metropolitan Centre	Yes	09/11/06	69 / 62	49	420	£850,000	1%
Royston First	East of England	Town Centre	No	02/12/08	61 / 62	39			
Rugby	East Midlands	Town Centre	No	30/09/05	66 / 74	50	653	£850,000	Banded 2.5 to 5.5%
Segensworth Estates BID – Fareham	SW	Industrial Area	No	15/05/07	73	30	257	£175,000	
Segensworth Estates BID – Winchester	SE	Industrial Area	No	10/05/07	100	76			
Skipton BID	NE	Town Centre	No	06/02/09	59 / 73	59		£109,192	
Sleaford BID	East Midlands	Town Centre	No	05/07/07	69 / 75	40	626	£96,700	
Solihull BID	West Midlands	Town Centre	No	22/03/10	73 / 75	30	456	£515,480	
Southern Cross BID	SE	Town Centre	No	04/12/06	94 / 99	72	25	£43, 463	

Name of Bid	Region	Type of location	Renewal (Yes/No)	Date of ballot	% Support (NB & RV)	Turnout (%)	No. Hereditaments	Income (annual)	Rate of Levy
Stratford BID	West Midlands	Town Centre	No	02/04/09	69 / 72	35			
Swansea	Wales	Town Centre	No	04/05/06	65 / 74	45	726	£440,000	
Torquay BID	SW	Town Centre	No	30/03/10	67 / 71	49	620	£245,000	
Truro	SW	Town Centre	No	05/07/07	63 / 71	53	418	£290,000	1%
Victoria BID	London	Metropolitan Centre	No	30/10/09	73 / 67	55			
Waterloo Quarter Business Alliance	London	Metropolitan Centre	No	01/03/06	92 / 74	50	246	£273,500	
West Bromwich Albion BID	West Midlands	Industrial Area	No	07/04/06	85 / 79	48		£153,049	1%
Willow Lane	SE	Industrial Area	No	06/05/09	95 / 93	42			
Winchester BID	SE	Town Centre	No	26/07/07	62 / 54	45	800	£500,000	
Winsford Industrial Estate	NW	Industrial Area	No	19/11/05	89 / 71	50	146	£84,833	
Witham Industrial Estate BID	East of England	Industrial Area	No	10/08/09	63 / 76	52			
Worcester BID	West Midlands	Town Centre	No	04/11/09	79 / 71	43	613	£300,000	1.50%
Worthing Town Centre BID	SE	Town Centre	No	05/07/07	57 / 53	31	478	£220,000	



## Survey questionnaire

1. Name of BID:

2. Your position:

3. What is the approximate annual expenditure of the BID?

4. What is the most significant item of expenditure in your BID  
(e.g. crime and safety programme, marketing activities, etc)?

5. What percentage of the BID income does the levy represent?

6. What are the most significant sources of BID income other than the levy (e.g. subscriptions, property owners' contribution, local authority contributions, earned income, donations in kind, etc)?

What proportion of the income does each of them represent?

7. Has the economic downturn affected the BID income or do you expect it to do so in the near future?

Yes ☐ No ☐

Which sources of income have been/are more likely to be affected?

- 8.** Do you expect the economic downturn to constrain the amount and scale of services and activities performed by your BID?

Yes

☐

No

☐

Which services and activities would be most affected?

- 9.** Do you expect the government's spending cuts to affect baseline services relevant to your BID?

Yes

☐

No

☐

Which services are more likely to be affected?

- 10.** If your BID has just re-balloted or will do so in the near future, how do the levy rate and expected annual income compare with what you have had so far?

- 11.** What would you say are the main challenges facing your BID in the next couple of years?

- 12.** Could you think of any government policy or initiative that could help BIDs address those challenges?

# Survey returns – Summary information

Bid	Location	Type	No. Hereditaments	Annual budget	Most significant items of expenditure	% Levy income	Non-levy income
We Are Nottingham Leisure	East Midlands	Metropolitan Core	266	£370,000	Events	70%	Local development agency grants = 19% Other grants = 5% Sponsorships = 3% Earned income = 3%
Lincoln	East Midlands	Town Centre	877	£1.2m	Events, Security, Wardens	30%	Private Sector Voluntary = 5% Local Authority SLA = 20% Grants, Home Office, ERDF = 30% Trading Revenues = 15%
Great Yarmouth	East of England	Town Centre	200	190k	Crime and Safety	50%	Property owners 12% Subscriptions 10% Local Authority Direct Core 11% Local Authority projects 9% Local Authority Indirect e.g. licensing of street activities 30% Earned income 28%
Bid4Bury	East of England	Town Centre	380	£350,000	1. Marketing 2. Crime & Safety 3. Christmas 4. Events 5. Business Support	95% as this is a new Bid	1. Event Trader Income 2. Marketing Sales 3. Voluntary Contributions
BedfordBID	East of England	Town Centre	527	£500,000pa	Marketing & Promotion Programme £250,000pa plus	65%	Property Owner = 15% Local Authority = 5% Earned Income = 15%
Dublin City BID	Ireland	Metropolitan Core	4700	€2.3m	Currently cleaning	90%	Earned income
Garratt Business Park industrial bid (Wandsworth)	London	Industrial Area	93	£60,000 - £80,000 approx.	in 2009/2010 – crime and safety, i.e. CCTV in earlier years it was infrastructure, i.e. the roads and drains 2010/2011 it may be general marketing, i.e. PR, general presentation of the estate	80% approx.	2009/2010 Local Authority grant towards improvements = 20%
London Riverside BID Ltd (Havering)	London	Industrial Area	272	£140,000.00	Safe and Secure	1%	London Thames Gateway Development Corporation £172,000.00 (2009/10) – to be part match funded by the BID – around £50,000.00
Camden Town Unlimited	London	Metropolitan Core	320	£500,000	There is no standing item, as our priorities change on an annual basis and as we source matched funding deal, predominately from the public sector. Year 1 – crime Year 2-3 – public realm Year 4 – recession Year 5 – inward investment	25%	Local authority project funding = 50% Regional government = 10% European funding = 10% Other = 5%
Paddington	London	Metropolitan Core	349	£600,000 in 2010/11	Crime/safety, followed by environmental improvements.	95%	Voluntary contributions = 5%.

**RICS Research – BIDs, Economic Recession and the Future of Stakeholder-led Public Realm Management**

Bid	Location	Type	No. Hereditaments	Annual budget	Most significant items of expenditure	% Levy income	Non-levy income
Angel AIM	London	Metropolitan Core	339	700K	Crime and Safety – paying for a dedicated police team	Approx. 50%	Local authority voluntary contribution = 30% Property owners contributions = 5% Metropolitan Police =15%
Kingston Town Centre Management Ltd – T/A Kingstonfirst	London	Metropolitan Periphery	892	£1m in delivery of core projects	Marketing – £310k Cleansing and Greening – £300k	80%	We manage a number of business areas on behalf of the local authority and each of these are profit centres within the BID – Markets, Open Space, Tourism, Events and Market House. The LA has passed a proportion of their budgets to us and we retain the revenue – there is an agreement for the LA to underwrite any loss brought about by differences in accounting or budget practises. The local authority continues to pay towards the cost of TCM (50%), Events Executive (100%) and Tourism Executive and tourism budget (15%) and many of the community events plus a contribution to planting and Christmas lights. We also benefit from a 75% NNDR discount on all premises occupied by us – for Markets and Market House the LA has passed the full NNDR to us. Equally, we fund Christmas Park and Ride, NNDR Levy collection, Christmas lights and a range of other projects. We call this the 'virtuous circle' because both sides contribute similar amounts.
Ealing BID	London	Metropolitan Periphery	450	300000	Free Recycling programme	16%	Additional voluntary contributions from property owners equates to 13% of the total revenue budget
Bayswater BID	London	Metropolitan Core	445	£500,000	Marketing activities, cleanliness, safety activities.		Property owner contributions
Longhill & Sandgate BID (Hartlepool)	North East	Industrial Area	210	£40,000	Crime & Safety	100%	N/A
IEPBID Ltd (Bolton)	North West	Industrial Area	300	£420,000	Crime and security. BID was set up with this as its specific aim. Costs are for CCTV equipment and monitoring staff.		Local Authority capital grant. Trading income from bid by providing security services for non-BID members
Winsford Industrial Estate + Gadbrook Park BID (Cheshire)	North West	Industrial Area	146 + ?	£90K and £200k	Gadbrook = Security, Winsford = Business support	95%	Local Authority
Blackpool Town Centre BID Ltd	North West	Town Centre	802	£400K	Crime and Marketing take up 50% of the expenditure	65%	Subscriptions and rentals for crime initiatives and radio links = 30% Funding brought in through the BID's social enterprise status = 5% although in the year ahead that figure will grow to 20% due to funding bids already accepted.
Keswick	North West	Town Centre	463	£90k	Grants for events and festivals	100	

Bid	Location	Type	No. Hereditaments	Annual budget	Most significant items of expenditure	% Levy income	Non-levy income
Inverness BID Ltd	Scotland	Town Centre	680	£305,000	Salaries £99,000 Marketing £37,000 Safety £35,000	73%	Donations from Inverness Common good fund = 18%
Segensworth (Winchester)	South East	Industrial Area	175	£170,000	CCTV Cameras Estate Access Scheme	100%	
Lancing Business Park (Adur)	South East	Industrial Area	211	£85,000	Crime prevention (CCTV)	99%	1% sponsorship
Worthing Town Centre	South East	Town Centre	478	£220,000	Events and Marketing	85%	Local Authority = 15%
Reading Town Centre	South East	Town Centre	443	£400K	Marketing activities	80%	Property owners' contribution = 6% Grants = 10.5% Earned income = 1.5% Sponsorship = 2%
Torquay BID	South West	Town Centre	620	£300,000	Marketing and events	75 %	
Plymouth City Centre Company	South West	Town Centre	580	£850,000	Marketing/Events	40%	Entrepreneurial & Street Trading Income = 30% Subscriptions = 20% LA Contribution = 10%
Totally Truro	South West	Town Centre	418	£290,000	Events activities; specifically Christmas (and Christmas lights); annual music festival and annual art festival	91%	Public sector contributions = 4% Sponsorship = 2% Landlord contributions = 1% Earned income = 2%
Swindon BID Company Ltd	South West	Town Centre	542	£500,000+	Crime and Safety Programme through Street Team Ambassadors and Radio Network	78%	LA contribution = 14% Earned Income = 4% Donations in Kind= 4%
Swansea BID	Wales	Town Centre	726	485K	Cleansing – 4 operatives 7 days a week in the city centre	100%	Local authority = £10,000 towards BID manager role, in kind officer support
Albion BID 2 (Sandwell)	West Midlands	Industrial Area	123	170K	Security programme, monitoring of CCTV cameras and patrols	100%	
Colmore Business District (Birmingham CBD)	West Midlands	Metropolitan Core	614	£690,000	Projects and services which fall under the remit of improving the District's: cleanliness, greenness, attractiveness	100%	None
Retail Birmingham (Bull Ring & retail core)	West Midlands	Metropolitan Core	420	£1.2 million in 2009 / 2010 – figures that follow are also in relation to 2009 / 2010	Marketing and events 51%	44%	Sponsorship / cash contributions = 39% Voluntary Contributions (Property) = 13% Local authority = 4%



Bid	Location	Type	No. Hereditaments	Annual budget	Most significant items of expenditure	% Levy income	Non-levy income
Kings Heath Centre Partnership BID	West Midlands	Metropolitan Periphery	322	£128,700 (2009/10)	The budget is split relatively equally between three main functions – community safety and infrastructure (i.e. improvements in the trading area, highways, signage, CCTV etc.), marketing and events (producing newsletters for businesses, shop local bags for customers, events and Christmas lights), and clean and green, which concentrates on the floral trail for Britain in Bloom, and encouraging more resident involvement in competitions around front gardens etc.	91.8%	Charitable Organisations = 0.03% Local Business Association = 0.5% Grant applications through local authority = 1.6% Ward contributions (local authority) = 5.9% Individual business contributions = 0.2%
Worcester BID	West Midlands	Town Centre	613	£410,000	Marketing	90	Property Owners' Contribution = 100%
BID Leamington Ltd	West Midlands	Town Centre	462	£300,000.00	Marketing Activities	99%	Small percentage of earned income
Skipton BID	Yorkshire and the Humber	Town Centre	570	140000	Car Parking	100%	None
Hull BID	Yorkshire and the Humber	Town Centre	1500	440000	Safety and security, followed by events and marketing	95%	property owners provide around 5% of income. Usually in support of specific marketing events e.g. Hull Fashion Week

## Interview Outlines

### BID manager:

#### 1. Confirmation of details

- Size of BID (hereditaments)
- Composition (type and size of businesses)
- Mandate duration
- Budget (total & levy)

#### 2. BID justification and achievements:

- What were the key issues that led to the formation of the BID?
- How successful has the BID addressed them?
- What are the most successful initiatives of the BID to date?
- What has been the perception of BID by levy payers? Has it become more/less supportive and how?
- What has been the perception of the BID by property owners? Has it become more/less supportive and how?
- Any specific concerns of rate-payers/property owners about the BID structure/functioning? How have they been addressed?

#### 3. Impact of economic recession:

- Has the BID area been particularly affected by the recession? How?
- Which kind of business in the BID area has been more affected by recession?
- What are the most significant impacts of the recession on the BID itself?
- Has there been an impact on income? Which sources have been most affected and how?
- What has been the impact on voluntary contributions from property owners?
- Has there been an impact on the services/activities of the BID or any impact is predicted for the near future (refocusing, reduction)?
- What coping strategies has the BID pursued so far to deal with impacts in income and services?

#### 4. Impact of local authority & public services spending cuts:

- What has been the role of the local authority in the formation, running and funding of the BID?
- Are you predicting any reduction, change or restructuring of public services relevant to the BID's activities? If so, which services?
- How would this impact on what the BID does?
- How would this impact on how the BID is perceived and on its acceptance?
- Are there strategies in place to cope with reduced/changed services/support from Government and the Local Authority? What are they?

#### 5. Outlook for BID and major challenges for next 5 years

- What would you say are the main threats/challenges to BIDs in the medium term?
- Do see opportunities for BIDs to grow and consolidate?
- Do you foresee areas/services in which BIDs might play a larger role than they have so far? Which areas/services and how?
- How would you imagine the role and structure of a BID like yours in the near future?

## Local Authority:

### 1. BID justification and achievements:

- What were the key issues that led to the formation of the BID?
- How successful has the BID addressed them?
- What has been the perception of BID by rate-payers? Has it become more/less supportive and how?
- What has been the perception of the BID by property owners? Has it become more/less supportive and how?
- What has been the perception of the BID by users and by the population in general? Any issues?

### 2. Role of Local Authority in BID

- How does the BID fits into LA strategies and policies for the area?
- What has been the role of the local authority in the formation of the BID?
- What kind of support does the LA offer in the running and funding of BID activities?

### 3. Impact of economic recession

- Has the BID area been particularly affected by the recession? How?
- Which kind of business in the BID area has been more affected by recession?
- What are the most significant impacts of the recession on the BID itself?

### 4. Impact of local authority & public services spending cuts:

- Are you predicting any reduction, change or restructuring of public services relevant to the BID's activities? If so, which services?
- How would this impact on what the BID does?
- How would this impact on how the BID is perceived and on its acceptance?

### 5. Outlook for BID and major challenges for next 5 years

- What would you say are the main threats/challenges to BIDs in the medium term?
- Do see opportunities for BIDs to growth and consolidate?
- Do you foresee areas/services in which BIDs might play a larger role than they have so far? Which areas/ services and how?
- How would you imagine the role and structure of a BID in the near future?





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