

JULY INSIGHTS by CHRIS TURNER

As ever, in the run up to the parliamentary recess, there is much new government policy emerging for consultation and discussion. Much of this will affect Business Improvement Districts over the next few years.

Probably the main agenda item for the month has clearly been the new [Devolution and Community Empowerment Bill](#). It is a bill designed to cover a wide range of issues; to make provision about combined authorities, combined county authorities, the Greater London Authority, local councils, police and crime commissioners and fire and rescue authorities, local audit and terms in business tenancies about rent. It makes no mention of tourism taxes or indeed Business Improvement Districts, although the new strategic authorities have responsibility for the encouragement of visitors and promotion of visitors, but with 338 pages and the very critical 30 separate Schedules, there is much to ponder for the BID community. The newly identified **strategic authorities** will have a range of “areas of competence” which will impact heavily on the role of Business Improvement Districts, particularly the area of economic development and regeneration. Those in the existing mayoral authorities will have some minor modifications but it is those outside those authorities who will notice the greatest difference.

The Bill will also enable the Secretary of State to invite or direct existing two-tier authorities to submit a proposal for merging with other unitary authorities. These new **single unitary authorities** will bring together many of the local authorities that have up to now managed BIDs into much larger units and will require Business Improvement Districts to make new alliances and identify who the key players will be in the matter of BID ballots, Levy collection, and enforcement. The current Local Government Act of 2003 and the Regulations of 2004 will, of course, remain intact; although we had hoped very much that the new Bill would include some amendments to the current regulations; that original legislation will be affected by the new unitary authorities that will emerge from this

Devolution bill. For many, this will mean some 20 years of hard-won networking being replaced very speedily by a new group of stakeholders.

One major benefit for many of our levy payers will be a **ban on upwards only rent review** [UORR] clauses in new commercial leases in England and Wales. Commercial leases include sectors such as high street businesses, offices and manufacturing. The ban aims to make commercial leasing fairer for tenants, ensure high street rents are set more efficiently, and stimulate economic growth.

The debate on **Tourist taxes** continues. Both Scotland and Wales now have legislation on place; and the [mayors](#) of the current and some new strategic authorities are pushing government in England to follow suit. Apparently, Angela Rayner Deputy Prime Minister and Secretary of State for Local Government is [keen](#) to allow a local tax of this sort and has suggested that councils should be able to tax tourist hotel stays and take advantage of a rise in visitors, rather than taxing locals. Chancellor Reeves is reportedly opposed to Rayner's request, given the pressures on the hospitality sector and concerns raised by tourism business leaders about higher taxes coming into effect. British BIDs are very committed to the newly emerging Accommodation BIDs and thus far, government has remained [committed](#) to this approach.

The government has published a consultation on reforms to local government finance known as the [fair funding review](#). This will be important for many BIDs, as it impacts the funding streams and their amounts into local authorities. Local government minister Jim McMahon said the consultation sets out the government's intention to reform the distribution of funding to local authorities in England. The consultation explains how funding will be distributed for the period of the 2026-29 Spending Review. The consultation does not include information about the amounts of funding that will be distributed to local authorities. These amounts will be confirmed at the next Local Government Finance Settlement, in November or December 2025. The new distribution of funding will be decided using a relative needs formula, assessing local areas' need for local authority services; an area costs adjustment, taking account of certain costs of providing services;

and a resource adjustment, taking account of the amount of council tax revenue, an authority could raise. The needs assessment will inform the distribution of Revenue Support Grant, some other grants, and of the local share of business rate revenue.

We now work closely with the **Valuation Office Agency**, and they have been in touch about some upcoming content that may be of interest to the Business Improvement Districts to share with their business communities about the 2026 revaluation. The VOA stress that they are always keen to build awareness and understanding about property valuation and how their business rates are calculated and of course this is particularly important with 2026 draft valuations being published later this year. They regularly share content about how business rates work through their blog and social media channels. They have recently published blogs on valuation methods and there is a range webinars on understanding business rates. They have a range of guidance available on what to look out for when choosing a business rates agent to represent levy payers on business rates valuation. They will be running a social media campaign to encourage customers to sign up for a business rates valuation account which will mean they can not only view and amend any details VOA hold about their property, but also they will be able to check their valuation as soon as 2026 draft valuations are published. Changes are coming to the business rates system in England and Wales. By 2029, businesses will need to tell the VOA about any changes to their property.

It was great to see **Lord Pitkeathley**; leader of Camden BID in London speaking in the House of Lords on business improvement district earlier in the month. He made a passionate plea for **electronic voting**, and the government response was positive on the matter of Business Improvement Districts and the possibility of change into the future. The [Debate](#) on Business Improvement Districts, Accommodation BIDs, and BID security was wide ranging and extremely supportive of the BID industry.

One major announcement from the Deputy Prime Minister was on the [Levelling Up Fund, Town Deals and Pathfinder Funds](#) – worth more than £1.5bn in total – will become a single pot and the 150 reporting requirements that come with them will be reduced to less than

50, the deputy PM said in a statement published before her speech at the Local Government Association (LGA) conference, Rayner said: 'For far too long, councils have been weighed down by needless bureaucracy that makes it harder to focus on what matters most – delivering on local people's priorities.' Speaking at the LGA conference, the deputy PM also repeated the Government's commitment to fund councils on the basis of need in a 'fair and transparent way'. On the issue of local government reorganisation, she said it was necessary to make local government 'fit for the future', moving it to a 'simpler structure...with more accountability for residents.

Small and medium-sized businesses (SMEs) face confused messages about the current state of **environmental, social and governance** (ESG) priorities. We hear from many of the nationals that we speak to that sustainability, social value, company culture and ethics retain a huge impact on reputation and long-term business success. They also contribute to the growth agenda set out by the UK government. However, many small businesses have difficulty finding time or inclination; here is a piece on LinkedIn with four ways **ESG** could bring growth and success.

And finally, the usual reminder that as ever, these topics on BIDs and their places are discussed in greater detail across our range of [Academy Courses](#).

If you haven't done so already, please be sure to check out our [Learning Portal](#), designed to support the learning and development of British BIDs members. If you require any further information, please do contact [me](#) or [Shayni](#).

The final 2025 [Certificate in BID Marketing](#) & [Diploma in BID Leadership](#) classes begin in September. If you would like to take part in either course, please [get in touch](#).



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