

Nationwide BID

Business Improvement Districts
SURVEY 2010



(UK & IRELAND)

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Executive Summary

Now into their sixth year of operation, Business Improvement Districts (BIDs) are presenting themselves as well-established and mature organisations. Since the concept started in 2005, the growth of BIDs has been rapid with 102 BIDs in existence at the time of the survey. The value and positive impact of BIDs is clearly recognised by business communities around the country, demonstrated in particular by a 100% success rate on the sixteen renewal ballots to date.

This research, the fourth Nationwide BID Survey, has been sponsored by Alliance Boots, the British Council of Shopping Centres and the New West End Company.

“This survey shows how BIDs have been responsive to difficult economic conditions by focussing on initiatives that either reduce business expenditure or generate additional non levy based income. However there is a recognition that BID commercialisation is still in its infancy and best practice in this area needs to evolve. As government embarks on significant public expenditure cuts BIDs are well positioned to support the delivery of some public services to ensure our town and city centres do not suffer irrecoverable damage. Trading conditions will remain difficult for retailers over the next few years and therefore a clear return on investment needs to be shown for all BID initiatives. In this context we are pleased that the vast majority of BIDs recognise shopping centre occupiers contributions to various BID type initiatives through the service charge.”

Edward Cooke

Executive Director, British Council of Shopping Centres

“As the largest Business Improvement District in the UK we are quite clear about the benefits that local democratic business partnerships can deliver to city centres, high streets and other areas across the country. This report clearly illustrates the growing importance and scale of BIDs in the UK and the significant investment that they now bring to cities. In a time of austerity in the public sector, BIDs are well placed to support local authorities in delivering key services and helping the longer term development of strategically placed districts. In our case strong support from Westminster City Council, retailers and property owners has been the right recipe to enable positive change. This model works and this report helps to illustrate the great potential.”

Richard Dickinson

Chief Executive, New West End Company



Executive Summary

The report has also been supported by a variety of organisations with an interest in BIDs including the British Retail Consortium, the Inter Bank Rating Forum, the Federation of Small Businesses, the Confederation of British Industry and the British Property Federation. All of these organisations are increasingly recognising the value of BIDs to local areas and are supporting their ongoing development.

"The Nationwide BID Survey is an extremely valuable resource for businesses to evaluate the performance and identify the best practices of Business Improvement Districts across the country. BIDs can be a useful way for businesses to work with other community partners to improve their local area and address issues of real local concern. Retailers are keen to continue their support for Business Improvement Districts where they are focussed on delivering a genuine difference to trading performance at a reasonable cost, and where they are led by the private sector."

Stephen Robertson
Director General, British Retail Consortium

"BIDs are rapidly moving from an interesting and innovative concept to an established model for successful locational improvement, principally in town centres. There is a momentum of growth and renewal in difficult and challenging times, and the IBRF, as a class of national business representatives, is happy to support the regeneration of businesses and locations through the BID process, where those BIDs meet minimum criteria. The high success rate of BID start ups and 100% renewal rate is testimony to the potential of Business Improvement Districts."

John Fletcher
Chairman, Inter Bank Rating Forum

"With over 100 BIDs, many more than five years old, BIDs are here to stay. Members of the FSB in BID areas see at first hand the benefits that a BID can bring. And today more members are involved in the running of their local BID. With the current emphasis on localism, BIDs provide an excellent example of business led local partnerships. The FSB looks forward to the growing strength of BIDs and to continue playing a full part in their development."

Roger Culcheth
Local Government Policy Chairman,
Federation of Small Businesses

"At a time when public sector funds are particularly scarce, CBI members are supportive of schemes such as Business Improvement Districts. The cooperation between businesses and local authorities enables BIDs to offer a new service proposition to local businesses and crucially the fact that businesses can vote on each proposal ensures funding only goes on improvements of real value to business."

Matthew Farrow, Head of Energy, Transport and Planning, Confederation of British Industry

"From a property perspective, BIDs add value as they provide individual property owners with a say in how the local area around their property/properties is run and managed; they offer a great opportunity for owners to come together with their occupier(s) in shaping the strategy for the BID area and in most instances they add to the bottom line. All of this is to be welcomed."

Ian Fletcher
Director of Policy (Real Estate),
British Property Federation



Executive Summary

Government policy is increasingly striving to create an environment that encourages greater local authority empowerment and business engagement. This research clearly indicates that BIDs as a mechanism offers the potential to provide genuine dialogue and engagement and the private sector has shown its willingness to actively engage. The research also highlights the potential for BIDs as a business-led initiative which can make things happen within a local trading environment. In an era where increasing expectations are placed on government and public services, BIDs can be seen as providing an opportunity to widen local choice by promoting partnership between business and local government. The research evidence, further points to the commercial gain of working in partnership by promoting economic development, maximizing delivery of service provision and ensuring better value for money.

There is an increasing awareness within BID management teams of the benefits of commercialised instruments, joint procurement, recycling initiatives and mechanisms to identify bottom-line savings for businesses. The impacts of the recessionary pressures are also resulting in BID actions to control costs by providing business support services, managing vacant units, reducing levy and parking charges, targeting business grants and financial assistance, and developing collaborative partnerships with public entities.

The capacity of BIDs to secure revenue over and above the BID levy not only complements the income stream but is also an important dynamic in creating the multiplier effect. Fifty-one out of the sixty BIDs which contributed to the survey attracted additional income of £9.3m over and above the BID levy in the financial year 2009/10. Ratio analysis of additional income relative to levy income at the cumulative BID level (51 BIDs) equates to 1: 0.40, meaning that for every £1 accrued through the BID levy £1.40 is committed to business development and regeneration across designated business districts. The current BID population (102 BIDs) has the capacity to generate investment of circa £66m per annum for regeneration and business development based upon a cumulative mean of levy/additional income across the sample population. The cumulative investment attracted as a result of development activities over and above those funded directly by BIDs amounted to circa £875m.

The progression from BID 1 to BID 2 is interesting in that the level of support over time has strengthened, the renewal results have increased in most cases and no renewal ballots have failed to date. Indeed, the key messages emanating from the research show positive responses concerning performance measures on value for money, additionality and benefits to business indicators.

Even though BIDs are being endorsed by the business and trading organisations BID management teams need to engage more with the businesses and secure greater buy-in. The squeeze on finances is placing additional pressures on BIDs which stresses the need for increasing the sources of funding through innovative initiatives to supplement the levy income. The financing issue is of paramount importance in addressing the pressure that is being placed on baseline service agreements in terms of compliance and enforcement.

BIDs look set to stay and indeed are likely to have an increasingly important role within the new emerging localism agenda.



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Appendix

Appendix 1 – Listing of All BIDs in UK and Ireland



1.0 Introduction

This report presents the findings from the fourth Annual Nationwide Survey of BIDs in Britain.

Specifically this report draws upon evidence relating to innovative funding initiatives, financial leverage, cost neutrality, value added and performance measurement of BIDs. This body of knowledge will be of benefit to BID management teams, to those interested in developing or renewing a BID and to policy makers and other stakeholders involved in project finance and delivery. The analysis contained within this report relates primarily to BID practices and outcomes for the financial year 2009/10 and where applicable comparisons and contrasts are drawn with the 2008/09 position.

The survey has been carried out by a joint research team comprising Alliance Boots, British BIDs and the University of Ulster Real Estate Initiative. The research is sponsored this year by Alliance Boots, the British Council of Shopping Centres and the New West End Company. The research is also supported by the British Property Federation, the British Retail Consortium, the Confederation of British Industry, the Federation of Small Businesses and the Inter Bank Rating Forum.

BIDs are becoming firmly established in the urban landscape of Britain. The legislation relating to BIDs was first passed in England in 2004 followed by Wales in 2005 and Scotland and Ireland in 2007. The Northern Ireland Assembly is commencing the process of bringing forward the enabling legislation for BIDs to be established in the province.

Within the UK the total number of BIDs at the time of the Nationwide BID Survey 2010 was 100 and a further 2 BIDs in Ireland (Dublin and Dundalk). We would like to thank those BID management teams who kindly responded to the Nationwide BID Survey 2010 and to encourage the non-participating BIDs to engage in the data collection process in future years. The on-going success of the Nationwide BID Survey is dependent on the collation of comprehensive, accurate and transparent data provided by BID management teams across the respective jurisdictions.

The 2010 BID Survey collates information and key facts to support the BID industry across the respective jurisdictions. By enabling an understanding of BID practices and comparisons of BID statistics, this research supports BID development and best practice, whilst also demonstrating how the initiative is evolving and delivering.

2.0 Methodology

The Nationwide BID Survey 2010 was conducted in May/June 2010 and the online questionnaire was sent to all 102 formal BIDs within the UK and Ireland. Following the drafting of the BID questionnaire the process involved a piloting exercise whereby two BIDs were asked to test the online survey and feedback any technical or comprehension issues. These comments were then integrated into the final online version of the survey.

For the purposes of the survey the BIDs were categorized into two groups, group one - City/Town Centre BIDs comprising 76 (74.5%) city and town centres, leisure, commercial, mixed-use and city wide BIDs, and group two Industrial BIDs consisting 26 (25.5%). Survey responses were received from 51 (67.1%) of the City/Town Centre BIDs and 9 (34.6%) responses from Industrial BIDs. The overall response rate to the Nationwide BID Survey 2010 is 58.8% (Table 2.1). It is testament to the positive impact of BIDs that all 16 renewal ballots that have taken place in the UK to date have been successful, with the majority of those exceeding the turnout and majority from the first ballot. In the case of non respondent BIDs it is significant that the number has increased in 2010 relative to the position recorded in the Nationwide BID Survey for 2009.

BID Type	Total	Responded	% Response
Town centre, leisure, commercial, mixed, city wide BIDs	76	51	67.1%
Industrial BIDs	26	9	34.6%
TOTAL UK	100	60	60%
TOTAL UK & Ireland	102	60	58.8%

Table 2.1: Survey responses by BID type

Town centre and leisure BIDs are defined as those BIDs whose boundary covers the retail and leisure core of the town centre in which they are based. Commercial and mixed-use BIDs are defined as those BIDs whose hereditaments are mainly commercial/office use or whose area has no predominant use. City-wide BIDs are defined as those BIDs that cover all business in the city except those located in the city/town centre. These BID types are categorized together within the questionnaire survey and analysis. In contrast, Industrial BIDs are those BIDs whose boundaries cover business parks or industrial estates. The Industrial BIDs are analysed as a distinct class where appropriate.

The questionnaire survey applicable to all BID types was conducted on-line and analysed using the SPSS version 17. The survey analysis is considered on a question by question basis. However some of the questions are closely interlinked and have therefore been analysed together in order to establish linkages across one or more of the questions.

All 60 BID responses have provided a detailed summary of the personnel involved in the completion and return of the survey. This includes information relating to each respondent's position and role within the BID including Chief Executive Officer, Managing Director, Executive Director, Business and Finance Manager, Project Coordinator/Officer, and BID Manager. The responses received demonstrate a multi-level approach with survey contributors holding key management or administrative positions within the organisational structure responsible for each BID.

The questionnaire survey was supplemented by background data accessible in the public domain and collated by British BIDs from a range of sources and included overviews of individual BID proposals and other related documents.



3.0 Innovative Approaches to BID Delivery

The role of BIDs in coping with the impacts of the post recessionary period will be determined by the leadership capacity to provide strategic thinking in the local BID area and to create the right environment for economic growth. BID communities are working to adjust and adapt to the localism agenda in delivering services. Inevitably this involves tackling the pressing issues relating to economic recovery and regeneration of the high streets.

The report by the British Retail Consortium (BRC, 2009)¹ provides constructive guidance on the new vision for town centres based on priority policy areas requiring action in town centres which include the provision of a unique sense of place based on an attractive public realm; accessibility to meet the needs of customers and retailers, safety and security in deterring retail crime and anti-social behaviour; and the reduction of regulatory costs and financial burdens on property and business. It is indicated that BIDs must take the lead in promoting and implementing key aspects of the strategy, in particular the raising of additional finance to address local problems. In this regard the challenge is in coping with rising costs, falling sales and downward pressure on prices, squeezed margins and loss of retail profits. BIDs as a business-led initiative will only proceed where they address issues of real local concern and where benefits outweigh costs (BRC, 2009). Consequently BIDs must strive to deliver innovation through project delivery and implementation within their BID area. This section considers the response by BIDs to the delivery and type of innovative projects; actions to commercialise supplies and services through cost savings and measures to address recessionary pressures.

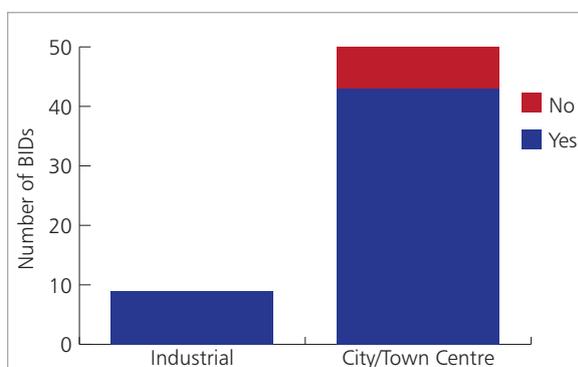


Figure 3.1 Number of BIDs delivering Innovative Projects in Financial Year 2009/10

¹ British Retail Consortium (2009) 21st Century High Streets: A new vision for our town centres, British Retail Consortium, London.

The results demonstrate that overall a majority of the BIDs have adopted new programmes of innovation and delivery with 54 out of the 60 (90%) respondents confirming that they had introduced innovative initiatives into their management structure from the previous year. As evidenced in Figure 3.1, all industrial BID respondents confirmed that they had delivered innovative projects over the course of the year.

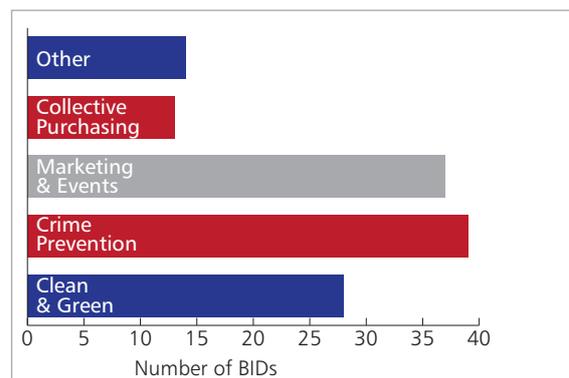


Figure 3.2: Implementation of Innovative Projects within BIDs

A number of key characteristics are identified as innovative approaches across participating BIDs (Figure 3.2). Approximately 28 (47%) of all BID respondents have implemented Clean and Green projects into their designated business district. Perhaps of greater pertinence is that 39 (65%) BIDs confirmed that they had launched new innovative Crime Prevention projects specifically over the course of the survey year. Similarly, Marketing and Events emerged as a core innovative strategy, with 62% of BIDs substantiating their introduction over the past year. Only 13 (22%) of BIDs acknowledged the introduction of 'Collective Purchasing' innovation schemes, highlighting that this initiative is still in its infancy. Significantly, over 53% of BIDs revealed that they have introduced three or more innovative projects suggesting that a combination of approaches is the predominant strategy to business innovation across participant BIDs within the financial 2009/10.

Analysis of the data shows that the industrial BIDs primarily delivered 'Clean and Green' and 'Crime Prevention' innovative projects whereas in contrast and as expected, City/Town Centre BIDs were orientated towards adopting a more selective and intensive range of innovative schemes. Indeed,

'Marketing and Events' was clearly a key innovative approach, perhaps a combative measure to entice pedestrian footfall, retail uptake and tourism related activities within the BID area. Whilst 'Collective Purchasing' is being delivered by City/Town Centre BIDs, a noteworthy development on last years findings is the further expansion in collective purchases within City/Town Centre BIDs. As an innovative strategy it is anticipated that Collective Purchasing/Marketing/Sales will be further rolled out across the BID sites as cost efficiency saving assumes greater pertinence.

The findings also reveal that the innovative measures being implemented by BID teams are becoming increasingly distinctive in localising service provision within BID areas. This is clearly illustrated by innovative special activities such as 'Public Space Event Management', 'Street Ambassadors', 'Chewing Gum Campaigns', 'Recycling Campaigns', 'Premises Improvement Schemes', 'Health Screening Events' and 'Public Realm Initiatives'. Nonetheless some innovative measures do however appear to be uniform across BID participants such as community policing projects and crime partnerships.

In considering action to commercialise any BID supplies and services thereby showing cost savings to levy payers and moving towards making the levy cost-neutral, research findings suggest a mixed response (Figure 3.3). Overall, 50.8% of respondents expressed that they had taken action to reduce costs to levy payers through commercialisation, however, 49.2% of respondents declared that they have not yet adopted significant steps towards making levy costs neutral. Nonetheless, of the 49.2% of respondents who are yet to commercialise their services, 32% did specify that they were at the early stages of implementation or investigation for moving towards a cost-neutral operation for businesses.

The results exhibit that a number of specific actions have been initiated to commercialise BID supplies and services. Of the 30 BIDs participating in the survey currently engaged in commercialisation of supplies and services, waste management and recycling emerged as the foremost approach representing 43%. Furthermore, there appears to be a diversified approach across BIDs concerning commercialisation. As evidenced in Figure 3.4, marketing (37%), insurance (37%), and energy costs (33%) all materialised equally as key activities for additional service and supply commercialisation.

Other actions (23%) identified by participants were the commercialisation of telephony and business equipment, pest control initiatives, vehicle parking and security key holding for site management.

Waterloo Quarter BID is currently commissioning consultants to develop a B2B offer database and to secure joint procurement offers for local businesses for office supplies.

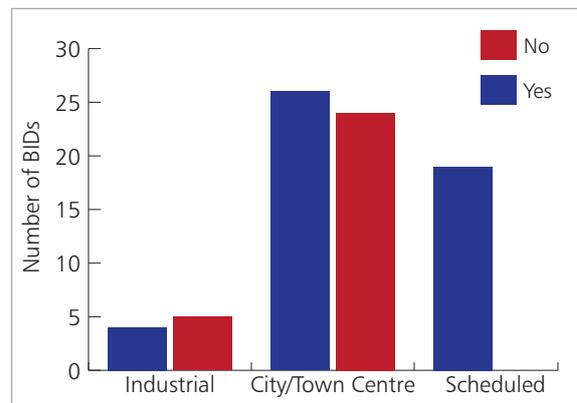


Figure 3.3 Number of BIDs which have commercialised supplies and services

BIDs in the formative stages of developing commercialisation initiatives indicated involvement with a plethora of schemes designed to reduce operating costs. One BID respondent stated that "we have already begun to look at supplies and services, to see where we can act as a catalyst for procurement". This was expanded by another participant who confirmed that "we will be working with the local waste service companies to offer a collective contract for trade waste collection, not only saving levy payers' money but also negotiating enhanced service delivery. We are also working with a utilities broker to ensure that service is offered to all our BID levy payers. Some members have saved their BID levy many times over through this service".

Other examples reveal innovative cost saving measures to levy payers. Pertinently, one respondent confirmed that they were working with a worldwide telecommunication company to produce a discount card which will give offers and discounts solely to BID businesses (who wish to participate).

The New West End Company stated that the BID levy is cost neutral to the levy payers as a consequence of increased revenue generated on BID managed traffic-freedays in core retail areas.

A majority of respondents commented upon commercialised instruments such as discounts on insurance with an annual cash return, joint procurement, recycling initiatives and mechanisms that provide bottom-line savings for businesses with particular attention to energy consumption and waste management. Indeed, the findings demonstrate that the strategies operated by some BIDs within the current economic climate are geared towards fostering strong linkages with local business partnerships and promoting vitality and prosperity through enhanced service provision and fiscal incentives.

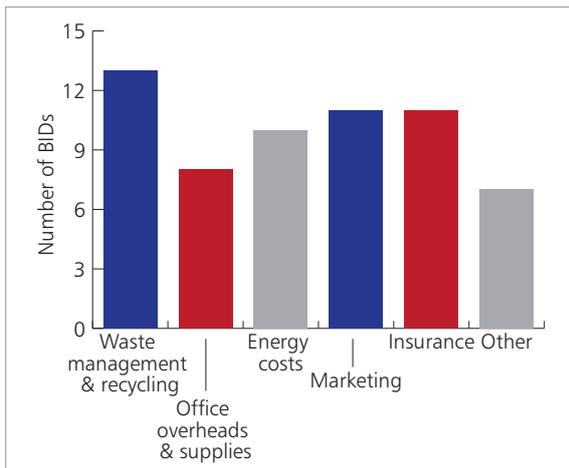


Figure 3.4: Types of action taken to commercialise BID supplies and services

With regard to the actions that BID teams are taking in responding to recessionary pressures, the survey evidence clearly reveals that BID management teams are adopting a more tentative approach with regard to escalating costs in the current economic environment. As a consequence, the provision of business support services is being offered in 45% of the BIDs surveyed. Further facilitating measures involving management of vacant units is being undertaken simultaneously to assist with rating valuation appeals and the reduction of vehicle parking charges in the BID areas. Other recessionary responses identified by survey participants include the provision of business grants to assist in the financing of the external

improvements for smaller businesses who are members of the BID, the reduction of levy charges, and the development of collaborative partnership structures with public sector entities.

An interesting initiative by Ipswich Central BID is the appointment of a retail investment agent to assist with inward investments in response to recessionary pressures (50% funded by the Council).

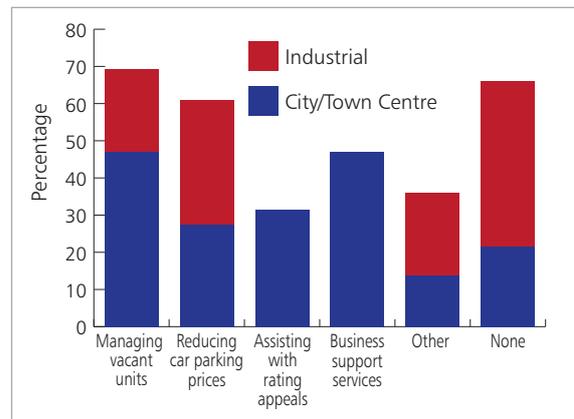


Figure 3.5: Measures adopted by BIDs in response to recessionary pressures

The evidence from the survey analysis indicates that BID management teams are actively responding to recessionary pressures by facilitating businesses through a combination of financial support and cost reduction measures. Qualitative evidence from the survey responses also indicates an interesting cross section of views and opinions regarding responses by the BID management teams to recessionary pressures.

Winchester BID are creating a business centre offering free meeting space, wifi, support, advice clinics, networking opportunities, printing and scanning services.

New West End Company are promoting BID businesses to Pan-European and other international markets, such as the Middle East, to maximize business opportunities.

We Are Nottingham BID are providing business grants to finance external improvements to the façade of smaller business establishments within the BID area and coupled with incentive grants to maximize the uptake of empty hereditaments.

Coventry City Centre BID are enhancing vacant premises by proactively encouraging art displays, advertising of businesses within the BID as well as providing the premises to charities on short-term loans

This section shows that there is an overall willingness of BIDs to adapt and continue to steer business-led development through a number of initiatives and practices. These innovative approaches have been vital in maintaining the viability of BIDs as a sustainable option for local government, business and economic development in the current recessionary environment. The survey findings clearly identify the willing role and commitment of BIDs to enhance solid business practicality and provide service and infrastructural investment

Key Findings

INNOVATIVE APPROACHES TO BID DELIVERY

- Evidence from across the City/Town Centre BID sites indicates innovation in implementing clean and green projects and marketing and events and to a lesser degree on collective purchasing projects. Whereas in the case of Industrial Area BIDs the innovation is occurring in crime prevention.
 - On average City/Town Centre BIDs are introducing a more selective and intensive range of innovative approaches to service delivery.
 - It is recognised that measures such as collective purchasing, marketing and sales are important as cost efficiency savings assume greater significance.
 - Community policing and crime prevention are key project types being advanced across all BID locations.
 - Some BIDs are aware of the need to consider cost neutral strategies in the current financial climate by commercialisation of BID supplies and services, in particular waste management and recycling followed by marketing, insurance and energy costs; and to a lesser degree the commercialisation of telephone and business equipment, pest control and parking.
 - There is an increasing awareness within BID management teams of the benefits of commercialised instruments such as discounts on insurance with an annual cash return, joint procurement, recycling initiatives and mechanisms to identify bottom-line savings for businesses with particular attention to energy consumption and waste management.
 - The impacts of the recessionary pressures are resulting in BID actions to control costs by providing business support services, managing vacant units, reducing levy and parking charges, targeting business grants and financial assistance, and developing collaborative partnerships with public entities.
 - Specifically exemplars highlight a variety of initiatives that maximize business opportunities for a locality.
 - Measures to counter the increasing effects of vacancy in high street properties include enhancing the cosmetics of vacant premises by proactively encouraging art displays, advertising of businesses within the BID as well as providing the premises to charities on short-term loans.
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4.0 BID Levy Collection

The economic downturn has impacted on the retail high street in terms of vacancy rate, job losses and reduced sales thus potentially affecting BID levy payments. It is considered that BIDs are increasingly focusing their role towards improving and regenerating their local area. However, in these difficult financial times, a reduction in the BID levy would help businesses to compensate in areas where the hike in rateable value as a consequence of the 2010 revaluation. Specifically, in some cases the rateable value is now 40% higher compared to the 2005 list and places increasing responsibility on BID management to maximise levy collection particularly in the current economic climate. This section of the report therefore considers four key issues concerning the BID levy for 2009/10 which include firstly the levy collection rate percentage; secondly the annual levy collection charge from the Local Authority; thirdly the appetite for pursuing a property owner levy; and fourthly the position regarding levy rules in relation to 2010 rating list.

The levy collection rate percentage is a positive indicator of BID performance. A high collection rate reinforces the value of the mandatory levy. Creating a clear and efficient collection procedure for the BID is therefore critical. However, there will inevitably be some minimal loss of income particularly in the current economic climate. The Nationwide BID Survey 2010 obtained current levy collection rate percentage figures from the participating BIDs during the financial year 2009/10. From the 60 participating BIDs, the survey reveals that 45 (75%) of the BIDs are securing a levy collection rate of more than 95% (Figure 4.1).

A further breakdown indicates that for 5 (56%) of Industrial BIDs the levy collection rate is less than 95%, and for City/Town Centre BIDs the equivalent rate is 10 (20%). Indeed, the survey evidence shows that the City/Town Centre BIDs are recording higher collection rates compared to Industrial BIDs. In this regard, 24 (47%) and 12 (24%) of City/Town Centre BIDs have registered their collection rate between 95-97% and 97-99% respectively. Moreover, 4 (8%) of City/Town Centre BIDs are registering BID levy collection rates of more than 99%. In contrast, none of the Industrial BID areas register a levy collection rate of more than 99% (Table 4.1). The sentiment of the survey analysis indicates that City/Town Centre BIDs are more efficient in terms of the BID levy collection rate relative to their Industrial BID counterparts. In part this would be due to the more simplified annual charge system that Industrial BIDs tend to use that does not allow

refunds and/or new hereditament billing part way through a financial year.

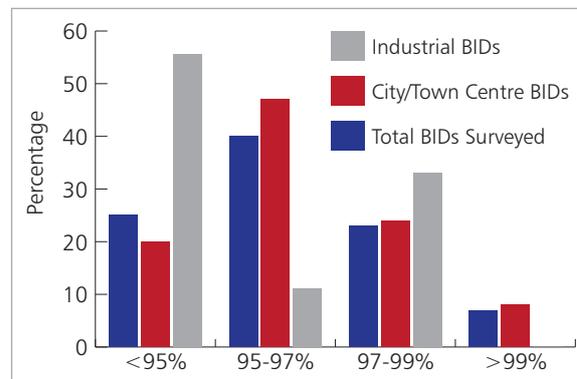


Figure 4.1: Current Levy Collection Rate for Financial Year 2009/10

Levy collection Rate	Total BIDs	City/Town Centre BID	Industrial Area BID
< 95%	25%	20%	56%
95 – 97%	40%	47%	11%
97 – 99%	23%	24%	33%
> 99%	7%	8%	0%

Table 4.1: Current Levy Collection Rate for Financial Year 2009/10

BID regulations allow local authorities to charge a reasonable fee for the levy collection service. Across the BIDs that participated in the survey, there is significant variation concerning the annual levy collection charge. Responses were received from 58 BIDs comprising of 49 City/Town Centre BID and 9 Industrial BIDs. In 18 (31%) out of 58 responding BIDs no collection charge by the local authority is indicated (Figure 4.2). When broken down this shows that 14 (28.6%) of City/Town Centre BIDs and 5 (55.5%) of Industrial Area BIDs have no collection charge by the local authority. Across the Industrial BIDs the variability in the annual collection charges from the local authority, for example, range from £12,000 in Bolton, to £1,200 in Willow Lane and £648 in Garratt Business Park.

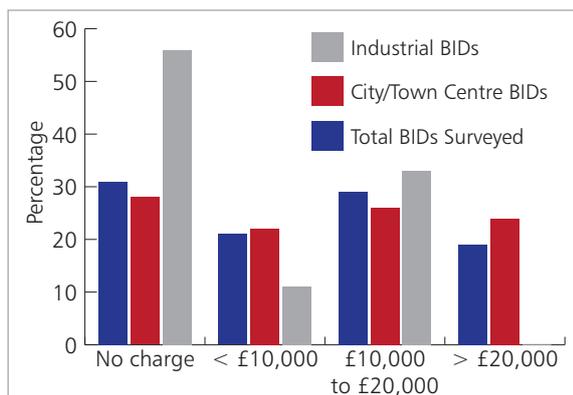


Figure 4.2: Annual Levy Collection Charge from the Local Authority

Concerning those BIDs that do receive an annual levy collection charge from the local authority, 21% have a charge of less than £10,000; a further 29% pay a charge of between £10,000 to £20,000 and 19% report a charge of more than £20,000 (Table 4.2). The collection costs normally depend on the BID levy rules and the number of hereditaments (Table 4.3).

Annual Levy Collection charge	Total BIDs (n=58)	City/Town Centre BID (n=49)	Industrial BID (n=9)
No charge	31%	28.6%	55.5%
< £10,000	21%	22%	11%
£10,000 to £20,000	29%	26%	33%
> £20,000	19%	24%	0%

Table 4.2: Annual Levy Collection Charge from the Local Authority

The Nationwide BID Survey 2010 collected information on the number of hereditaments in the participating BID areas which receive an annual collection charge. The survey data from the City/Town Centre and Industrial BIDs show that the number of hereditaments range from 95 (Garratt Business Park BID) to 1472 (Hull BID) and the average number of hereditaments in a BID area is 472 with a standard deviation of 255. The average number of hereditaments in the City/Town Centre BIDs and Industrial Area BIDs is 521 and 183 respectively. The analysis shows the wide diversity in the number of hereditaments which has an impact on the capacities of operating businesses in contributing the amount of the levy income accruing across BID areas (Table 4.3). The BID Unit Costs (Annual BID Levy Collection Charge divided by the Number of Hereditaments) show that this indicator ranges from £8 (Enterprising Bathgate,

Hinckley BID, Stratforward BID, to £108 (Victoria BID) in the City/Town Centre BID category. In Industrial BIDs the range is from £5 (Willow lane) to £59 (London Riverside BID).

BID Name	Levy Collection Charge pa (£)	Number of Hereds /BID	BID Unit Cost (£)
Town/City Centre BIDs			
Bedford BID	10000	519	19
Better Bankside	35000	436	80
BID Leamington Ltd	10000	494	20
Bid4Bury	7778	336	23
Boston BID	5000	573	9
Brighton	18000	384	47
Camden Town Unlimited	17000	280	61
Coventry City Centre	12500	699	18
Croydon BID	15000	561	27
Daventry BID	10000	300	33
Ealing	16000	600	27
Enterprising Bathgate	3500	418	8
Falmouth BID	10000	409	24
HammersmithLondon	20000	364	55
Heart of London BID	18000	217	83
Hinckley BID	3500	439	8
Hull BID	27000	1432	19
InHolborn	30000	540	56
inSwindon BID	13000	486	27
Keswick	7000	450	16
Kingstonfirst	28200	915	31
New Bayswater BID	33026	450	73
New West End Company	24250	350	69
Paddington BID	25423	360	71
Reading Town Centre	5000	445	11
Skipton BID Ltd	6500	480	14
Stratforward BID	3654	462	8
Swansea BID	14000	725	19
The Rugby BID Co Ltd	13000	650	20
Victoria BID	26000	241	108
Waterloo Quarter BID	25000	365	68
We Are Nottingham	8700	258	34
Winchester BID	14000	836	17
Worcester BID	15000	669	22
Worthing Town Centre	12885	437	29
Dorchester	15000	430	35
Industrial Area BIDs			
Willow Lane	1200	245	5
IEPBID Ltd (Bolton)	12000	320	38
Garratt Business Park	648	93	7
London Riverside BID	14800	250	59

Table 4.3: BID Unit Cost

The spread of levy rates, as shown in Table 4.4, reveals that 2 (3.9%) of City/Town Centre BIDs and 4 (44.4%) Industrial BIDs charge less than 1% levy rate. In the case of 14 (27.5%) City/Town Centre BIDs and 1 (11.1%) Industrial BID the levy rate is 1 to 2% whereas 5 (9.8%) City/Town Centre BIDs and 4 (44.4%) Industrial BIDs collect a levy based on a variable rate (Figure 4.3).

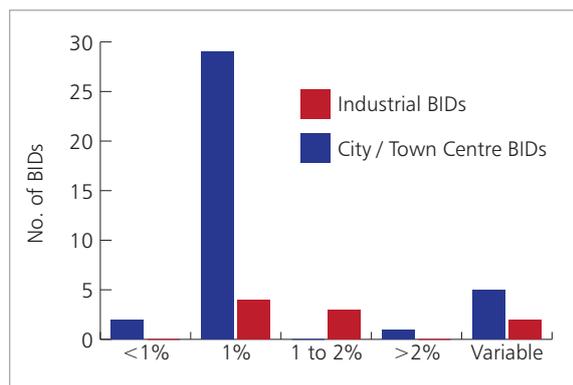


Figure 4.3: Spread of Levy Rates

Levy Rate	City/Town Centre BIDs		Industrial BIDs	
<1%	2	3.9%	4	44.4%
1%	29	56.9%	2	22.2%
1 to 2%	14	27.5%	1	11.1%
>2%	1	2.0%	2	22.2%
Variable	5	9.7%	0	0%

Table 4.4: Spread of Levy Rates - City/Town Centre BIDs and Industrial BIDs

An increasingly standardised approach is being applied to the BID levy where a shopping centre exists. It has become more normal for a discount on the levy to be applied to shopping centre occupier where a service charge is already payable. From the responses, 27 (45%) identified that they had at least one shopping centre within their BID area. Of those, 20 (81%) provide some level of discount to occupier on the BID levy albeit with varying approaches to the discount as set out in Table 4.5.

Of those that provide a discount, 5 of the 20 (25%) state that the landlord matches the occupier contribution thereby taking the income to the BID paid back to the full levy rate.

Treatment of occupier	Number	Percentage
Exempt from BID	2	7%
Discount at 25%	4	15%
Discount at 50%	11	40%
Discount between 30% & 65%	5	19%
No Discount	5	19%

Table 4.5: Treatment of Shopping Centre Occupier

In order to maximize the BID income over the course of a financial year some BID management teams proactively encourage property owners to assume responsibility of contributing financially towards the BID area. It is imperative that the property owners will benefit over time both directly and indirectly through the enhancement in capital value and rental income on properties owned within the BID area. The survey infers that 20 (34%) of participating BIDs reported a desire to pursue a property owner levy within their BID area (Figure 4.4). In terms of a breakdown of the figures it is shown that 28 (36%) of City/Town Centre BIDs indicate an appetite for pursuing a property owner levy in their BID area. However, in the case of Industrial BIDs the figures show that there is intent to maximise the levy income by engaging the property owners to complement the income generated by the occupiers within BID areas. Having said this, at the current time the only potential for a property owner levy is likely to be in London where the Crossrail levy (a Business Rate Supplement 'BRS' levy) is already in place thereby enabling the BRS-BID levy from the Business Rate Supplement Act 2009 to be implemented. The final Regulations for this BRS-BID levy are still to be passed through Parliament before an owner levy ballot can take place. For all areas outside London, the prospect of an owner levy remains academic as no other BRS schemes are in place, which is a prerequisite of the BRS-BID levy legislation.

A critical issue within the questionnaire for the Nationwide BID Survey 2010 enquired about the levy rules requiring BIDs to move on to the 2010 rating list. In this regard the data analysis shows that for 28 (47%) of the BIDs surveyed the implementation of the levy rules required the move to the 2010 rating list. Of those responding positively, it is considered that this move resulted in windfall funds to 15 (86%) BIDs and in reduced funds to a further 2 (9.5%) BIDs

Specific examples of windfall and/or reduced funds show that Reading Town Centre BID integrated the accruing funds into the delivery of services as per the business plan.

The Inholborn BID reports that at its renewal and expansion ballot in March 2010 it reduced the levy rate from 1% to 0.9% to compensate for the high rateable value increases and an increased size of BID area.

The Ipswich Central BID area received windfall funds to the tune of £45,000 as a result of the 2010 rating list review.

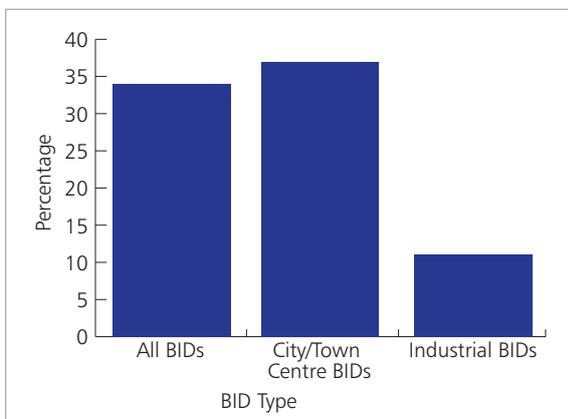


Figure 4.4: Appetite for Property Owner Levy in BID Area

With regard to windfall funds, responding BIDs were also asked to identify intent to spend the windfall in planning extra projects or to reduce the BID levy. In response, 17 BIDs planned extra projects to spend the windfall whereas two BIDs (Paddington BID and Dorchester BID) pursued a course of action in reducing the BID levy.

In the case of Paddington, the first alteration ballot in the country was held in June 2010 to enable them to reduce their levy rate in response to unacceptably high rateable value increases in the 2010 list.

The Dorchester BID opted to create a refund system to redistribute the windfall funds putting the onus on businesses to apply for the refund rather than reducing the levy at source.

The low response rate in the survey suggests a possible lack of understanding within BID management teams concerning the exact procedures and implications relating to windfall/reduced funds

Key Findings

BID LEVY COLLECTION

- BIDs are securing a high levy collection rate especially in the City/Town Centre BID category
- City/Town Centre BIDs are more efficient in terms of the BID levy collection rate relative to their Industrial BID counterparts.
- There is variable practice concerning the annual levy collection charge from the local authority although in the majority of Industrial BIDs there is no charge for levy collection.
- In the majority of cases where a shopping centre exists 81% provide some level of discount on the BID levy rate to tenants.
- In order to maximize the BID income over the course of a financial year some BID management teams proactively encourage property owners to assume responsibility of contributing financially towards the BID area.
- In some cases windfall funds are being allocated to new projects and to a lesser degree reduced funds are resulting in BID levy reductions

5.0 Additional BID Funding

Figures compiled by the Office of National Statistics (ONS) show that the UK economy officially moved out of recession in Q4 2009, indeed GDP growth of 1.1% in Q2 2010 was almost double the forecasted 0.6%. Nonetheless, the road to recovery is tentative at best with a number of key economists including the CBI's Chief Economic Advisor Ian McCafferty highlighting the fragility of the economic rebound and projecting a much softer growth into 2011. The economic uncertainty allied with ongoing indecision within the global banking sector continues to undermine business confidence across the UK. As business leaders continue to advocate the streamlining of operational structures as well as the development of more proficient cash flow management models the wider message in terms of income generation is one of innovation, diversification and sustainability.

BIDs, like other more conventional business structures are likely to be affected by the major contractions in government funding which in tandem with fiscal measures designed to tackle the UK's burgeoning budget deficit extenuate the need to develop and cultivate income streams over and above the BID levy. It is significant therefore that 51 of the 60 BIDs² that contributed to this investigation attracted additional income of £9,330,052 over and above the BID levy in the financial year 2009/10 (Figure 5.1). City/Town Centre BIDs accounted for circa £8.9m of the additional income attracted whilst industrial BIDs commanded additional income of circa £423k over the same timeframe.

The capacity to leverage income over and above the BID levy is an important component in the development of a sustainable BID model. Property owners, as in the financial year 2008/09, were the principal source of additional revenue generation (Figure 5.2), accounting for £2,164,000 (24.2%) of all income receivable over and above the BID levy across City/Town Centre BIDs. Due to the high volume of owner occupation, property owners accounted for a mere £20,000 (4.7%) of additional income generated by Industrial Area BIDs. At the individual BID level, New West End Company and Heart of London Business Alliance attracted additional income of circa £956,000 and £265,000 respectively from property owners in the financial year 2009/10, also noteworthy is the additional income generated from property owners in the Victoria (£130k), Kingston First (£100k) and Plymouth (£100k) BIDs. Pertinently the

² The 51 BIDs comprised 44 City/Town Centre BIDs and 7 Industrial BIDs.

aforementioned five BIDs accounted for circa 72% of all income leveraged from property owners over and above the BID levy in the financial year 2009/10.

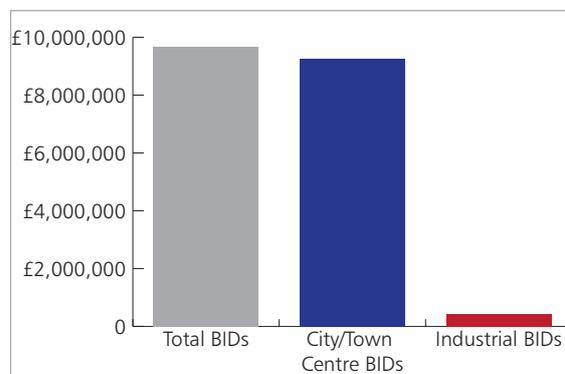


Figure 5.1: Income Over and Above BID Levy 2009/10

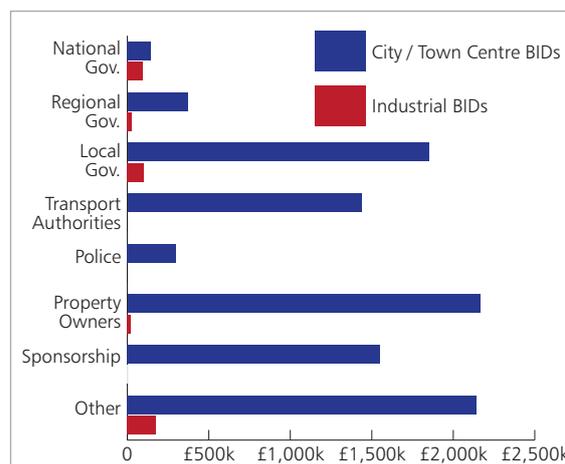


Figure 5.2: Additional Income Over and Above the BID Levy by Source

Local Government (£1.94m) and Transport Authorities (£1.43m) were the other key sources of additional income accounting for 20.9% and 15.4% respectively of additional funding attracted by all participating BIDs in the financial year 2009/10. Rugby (£214k) and Falkirk (£140k) were major beneficiaries of Local Government funding whilst the income receivable from Transport Authorities was skewed by the £1.2m awarded to Camden Town Unlimited for a range of transport infrastructure projects including the upgrading of the underground line which services Camden Town Station. Sponsorship arrangements were the fourth largest single source of additional funding overall, attracting a combined £1,555,213 in the financial year 2009/10. Sponsorship agreements were

predominantly the domain of City/Town Centre BIDs which accounted for circa £1.5m of all sponsorship income generated. The most successful BIDs in terms of attracting sponsorship in the financial year 2009/10 were New West End Company (£738,500) and Croydon Business Improvement District (£350,000), it is noteworthy that the two most successful BIDs accounted for more than 70% of all sponsorship attracted to City/Town Centre BIDs. This statistic would suggest that sponsorship opportunities as an alternative form of revenue stream are not being rigorously explored across designated BIDs, indeed twenty-six City/Town Centre BIDs contributing to the investigation received no sponsorship funding in the financial year 2009/10.

Notwithstanding this assessment, a noteworthy finding of this investigation is the innovation and entrepreneurialism shown by a number of BIDs in cultivating alternative forms of income streams. In the financial year 2009/10 BIDs performed a diverse range of functions including; staff training programmes, car park management, street trader governance, security provision as well as events promotion and management. Boston and Brighton BIDs attracted in-kind funding of £25k and £42k respectively, whilst the Camden Town (£1.26m) and InHolborn (£130k) BIDs secured high volumes of European Regional Development Funding (ERDF). Indeed, 'Other Sources' accounted for over £1.2m (13.5%) of all funding attracted by BIDs over and above the BID levy in the financial year 2009/10. This figure included £207,000 attracted by the New West End Company; £198,000 generated by Coventry City Centre BID; £180,000 raised by Plymouth BID as well as £150,000 committed to the Bedford BID. Amongst industrial BIDs 'Other Sources' was the principal source of additional income (£176,600) although this must be contextualised in light of the £171,600 committed by London Thames Gateway Development Corporation to the London Riverside BID.

At the individual BID level the five most successful BIDs in terms of the overall income generated over and above the BID levy in the financial year 2009/10 were the New West End Company (£1,951,763), Camden Town Unlimited (£1,264,000), Croydon Business Improvement District (£568,000), Better Bankside (£431,892) and Plymouth BID (£425,000). The cumulative additional income attracted by the top five performing BIDs amounted to £4,603,263 for the financial year 2009/10 (Figure 5.3), pertinently this

equated to 49.7% of all additional income attracted by the 60 BIDs that contributed to this research. The 5 top performing BIDs in terms of additional income generation were all classified as 'City/Town Centre' BIDs, and of the 9 Industrial BIDs contributing to the research London Riverside attracted the highest volume of income over and above the BID levy predominantly on the basis of a £171,600 contribution from London Thames Gateway Development Corporation. It is noteworthy however that the overall volume and potential sources of additional income for Industrial BIDs remains limited when contrasted with City/Town Centre BIDs. Invariably the capacity to attract additional revenue streams over and above the BID levy is dependent on a number of factors including size, location, role and function of the BID as well as the level of maturity. Consequently whilst the average additional income across the population sample contributing to the study was £155,500, the degree of variance in additional income generation between the top performing City/Town Centre BIDs and the rest of the BID population suggests that capacity exists to learn from and encompass the entrepreneurial approaches to income generation adopted by the top performing BIDs in tandem with other key stakeholders within the designated BID area.

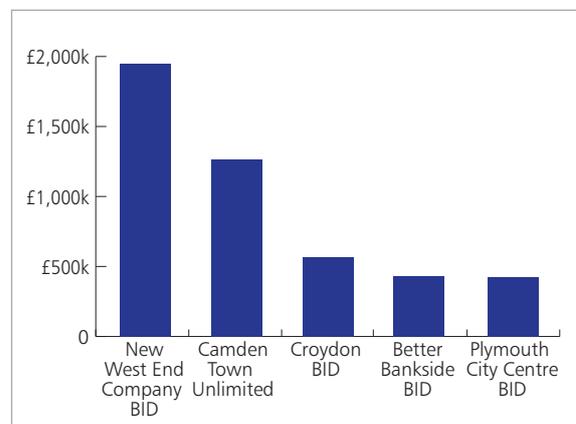


Figure 5.3: Five Best Performing BIDs in terms of Additional Income Generation

A noteworthy feature of the additional income generated by BIDs in the financial year 2009/10 is the increased diversification of income sources at the individual BID level (Figure 5.4). Twenty-eight of the BIDs (47%) contributing to the study were in receipt of additional income from 3 or more sources. At the individual BID level the most diversified BID in terms of additional income

sources was Better Bankside (7 sources), meanwhile Coventry, Croydon, Hammersmith and Stratford received additional funding over and above the BID levy from 5 different sources in the financial year 2009/10. In what continues to be a constrained financial environment and with public sector budgets radically tightened in line with the Comprehensive Spending Review Framework the capacity to attract a diverse range of additional income sources to compliment the revenue generated by the BID levy would seem to be a prudent business strategy in underpinning the BIDs economic sustainability.

Under the recently formed Coalition government the term 'efficiency savings' has become commonplace, it is pertinent therefore that £350k of the additional income generated by the Kingstonfirst BID was attributable to efficiency savings brought about by contributing to the attainment of the Local Authority 'Stretch Target' . The delivery of council services is an area primed for further expansion amongst the BID population, it is anticipated that as local authorities strive to reduce their operating costs and become more at ease with the concept of service transfer, the number of BIDs assuming responsibility for the provision of Council Services will grow over the next few years. To date, only 8 out of the 60 BIDs (13%) contributing to this research have assumed responsibility for Council Services, whilst this figure was lower than anticipated it is noteworthy that a further 10 BIDs are currently being considered to assume responsibility for the delivery of council services (Figure 5.5 & Table 5.1).

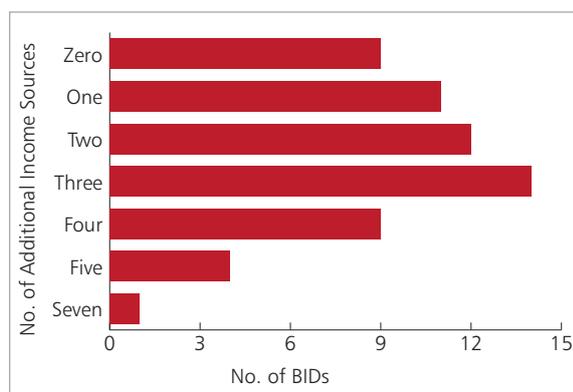


Figure 5.4: Additional Income - Source Diversification

Amongst the range of council services, marketing and events have been the operations most frequently transferred to BIDs. Six BIDs contributing to the investigation have already assumed responsibility for marketing and events within their area with a further 6 BIDs currently being considered for this role. Responsibility for tourism has already become the task for 3 BIDs contributing to the research with a further 4 BIDs in consideration to assume responsibility for this function. More innovative transfer of Council Services has seen BIDs assume responsibility for the management and operational function of council properties accessible to the public as well as the policing of street entertainment licences. Plymouth BID, Kingston First and In Swindon lead the way in assuming responsibility for Council Services. Pertinently, the efficiency savings generated by Kingston First in the delivery of local services has resulted in a lower expenditure budget being made available to the BID. The local authority in this case has underwritten the collective accuracy and outcome of the budget allocations thereby protecting the BID from any possible cost overruns.

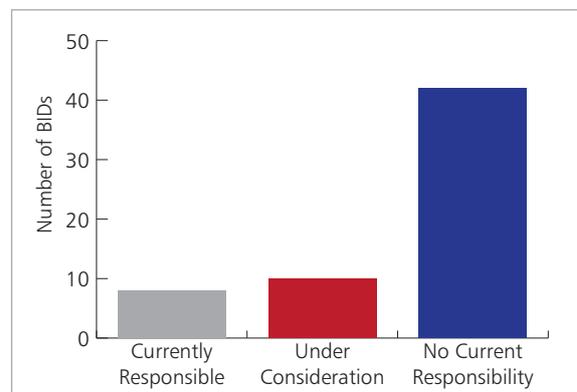


Figure 5.5: BIDs Responsible for the Delivery of Council Services

	Cleansing & Waste Management	Marketing & Events	Tourism Management	Market	Other
Yes	2	6	3	3	3*
Considering	2	6	4	2	0

* Asset Management and Policing of Street Entertainment

Table 5.1: Council Services Transferred / Under Transfer Consideration

The capacity of BIDs to secure revenue over and above the BID levy not only complements the income stream but is also an important dynamic in creating the multiplier effect whereby every £1 generated as a result of the BID levy additional value is created in terms of the volume of investment and development activity within the designated business district. Indeed a school of thought has emerged to suggest that in the case of a number of mature BIDs the leverage ratio is such that the additional income generated is on a par with or in excess of their respective levies.

The multiplier effect generated by the 51 BIDs is perhaps best demonstrated by way of a levy income ratio:

{R = I/L } where R is the Levy-Income Ratio, I is the Additional Income generated in the financial Year 2009/10 and L is the Levy Income collected in the first full year of the BID inception.

Analytical interpretation indicates that 51 of the 60 BIDs contributing to this investigation levered additional revenue of circa £9.3m in the financial year 2009/10, the cumulative levy income generated by the same 51 BIDs amounted to circa £23.4m³. The levy to income ratio achieved at the cumulative BID level equates to 1:0.4 (Table 5.2) meaning that for every £1 of BID levy generated across the 51 BIDs a further £0.40 was generated through additional income sources. The net result is a multiplier effect which culminates in a financial commitment of £1.40 to the enhancement and regeneration across the 51 designated business districts for every £1 accrued through the BID levy.

The 51 BIDs generating additional income in the financial year 2009/10 comprised 44 City/Town Centre BIDs and 7 Industrial BIDs. City/Town Centre BIDs attracted £8.9m of the total additional income generated, the levy income generated across the 44 City/Town Centre BIDs amounted to circa £22.7m which equates to a levy to income ratio of 1:0.39 meaning that for every £1 of BID levy generated across the 44 City/Town Centre BIDs £1.39 was invested in regeneration and business development. The 7 Industrial BIDs generated cumulative additional income of £423,000 in the financial year 2009/10, levy income across the 7 BIDs amounted to £719,500 generating a cumulative levy to income ratio of 1:0.59 across industrial BIDs. This ensured that for every £1 of levy income generated across the 7 industrial BIDs £1.59 was invested in regeneration and business development.

It is noteworthy that out of 51 BIDs which generated additional income in the financial year 2009/10, seven BIDs (14%) generated income in excess of the levy collected in the first year of their inception. The capacity to generate income in excess of the levy varies considerably across the 51 BIDs in the sample, indeed the income to levy ratio for the upper quartile of the sample population equates to 1:1.42 meaning that for every £1 of levy collected £2.42 is committed to business development and regeneration. By contrast the income to levy ratio amongst the lower quartile of the sample BID population equates to 1:0.10 meaning that the multiplier effect of BIDs is substantively reduced with a mere £1.10 invested for every £1 of BID levy collected.

³ To facilitate consistency of interpretation the levy figure used in the analysis is the levy income generated in the first full year of operation.

BID Name	Levy Income (L)*	Additional Income (I)	R = (I/L)
Angel AIM	£300,000	£289,000	0.96
Argall BID Ltd	£50,000	£57,500	1.15
Bedford BID	£500,000	£270,000	0.54
Better Bankside	£1,037,000	£431,892	0.42
BID Leamington Ltd	£306,000	£5,000	0.02
Boston BID	£130,000	£55,000	0.42
Brighton	£183,000	£42,000	0.23
Broadmead BID 2	£313,576	£75,000	0.24
Camden Town Unlimited	£383,966	£1,264,000	3.29
Coventry City Centre	£331,421	£305,000	0.92
Croydon BID	£1,000,000	£568,000	0.57
Daventry BID	£118,814	£25,000	0.21
e11bid	£55,000	£128,000	2.33
Ealing	£362,000	£115,000	0.32
Enterprising Bathgate Ltd	£73,500	£81,500	1.11
Essential Edinburgh	£869,140	£179,000	0.21
Falkirk BID	£174,000	£160,000	0.92
Falmouth BID	£90,000	£13,000	0.14
Garratt Business Park	£49,000	£14,000	0.29
Hainault BID	£40,000	£115,000	2.88
Hammersmith London	£590,685	£179,523	0.30
Heart of London Business Alliance	£639,833	£265,000	0.41
Hinckley BID	£161,000	£50,000	0.31
Hitchin BID	£225,000	£42,500	0.19
Hull BID	£505,000	£81,000	0.16
IEPBID Ltd (Bolton)	£390,500	£35,000	0.09
InHolborn	£2,464,365	£130,000	0.05
inSwindon BID	£361,000	£205,781	0.57
Ipswich Central	£500,219	£95,000	0.19
Kingstonfirst	£878,255	£187,323	0.21
KIPPA BID LTD	£40,000	£15,000	0.38
London Riverside BID Ltd	£100,000	£171,600	1.72
New West End Company	£2,472,000	£1,951,763	0.79
Newcastle NE1 Limited	£1,488,713	£86,000	0.06
Paddington BID	£404,422	£28,426	0.07
Plymouth City Centre	£350,000	£425,000	1.21
Reading Town Centre BID	£305,000	£77,000	0.25
Royston First	£180,000	£79,400	0.44
Sleaford	£104,000	£51,000	0.49
Stratford BID	£350,000	£34,500	0.10
Team London Bridge	£592,177	£161,000	0.27
The Rugby BID Co Ltd	£591,700	£234,000	0.40
TorquayBID	£244,500	£90,000	0.37
Totally Truro	£114,460	£14,189	0.12
Victoria BID	£1,330,835	£130,000	0.10
Waterloo Quarter BID	£518,500	£50,015	0.10
We Are Nottingham	£250,000	£112,840	0.45
Willow Lane	£50,000	£15,000	0.30
Winchester BID	£370,000	£67,000	0.18
Worcester BID	£318,761	£44,300	0.14
Worthing Town Centre BID	£226,546	£28,000	0.12
TOTAL	£23,483,888	£9,330,052	0.40

* Levy Income First Year of Operation

Table 5.2: Income Generation Relative to BID Levy

At the individual BID level the five most successful BIDs in terms of the additional income generated relative to the BID levy were Camden Town Unlimited, Hainault, e11bid, London Riverside and Plymouth (Figure 5.6). Camden Town Unlimited attracted additional income of circa £1.2m in the financial year 2009/10, the BID levy for Camden Town Unlimited in its first year of operation equated to circa £384k generating a levy to additional income ratio of 1:3.29 meaning that for every £1 collected in levy £4.29 was invested within the designated business district. Hainault achieved a levy to additional income ratio of 1:2.88, attracting additional income of £115k in the financial year 2009/10 relative to a levy income of circa £40k. The e11Bid attracted additional income of £128k in the financial year 2009/10, the BID levy for the e11Bid in the first year if its inception amounted to £55k generating a levy to income ratio of 1:2.33 meaning that for every £1 collected in levy £3.33 was invested within the e11 business district. The London Riverside and Plymouth BIDs attracted circa £171K and £425K respectively in the financial year 2009/10, if this is analysed against the respective BID levies in the first year of operation (London Riverside £100k, Plymouth £350k) the income to levy ratio for London Riverside equates to 1:1.72 meaning that for every £1 of levy generated £2.72 is invested within the designated London Riverside district. Plymouth’s income to levy ratio equates to 1:1.21, consequently for every £1 generated by in BID levy £2.21 is committed to ongoing development and regeneration within Plymouth City Centre.

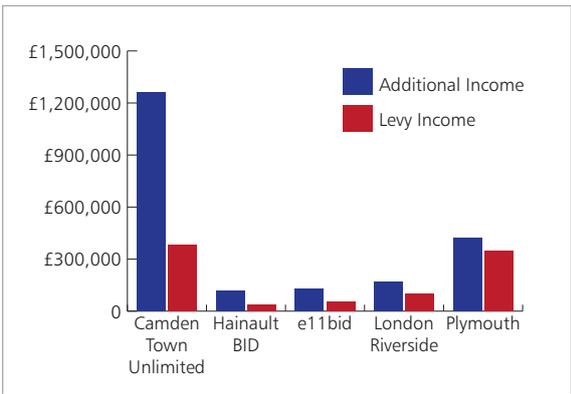


Figure 5.6 Five Top Performing BIDs in Respect of Levy to Income Ratio

Invariably the income generation capacity of BIDs varies considerably but if we hypothesise by adding

the mean rate of additional income generated across the 51 BIDs (£183k) to the mean levy income across the 51 BIDs (£460k) before applying it across the entire BID population (currently 102 designated BIDs) the potential income generation for regeneration per annum equates to circa £66m per annum. Whilst accepting that such a calculation fails to account for the diverse income generating capacities across the BID population in terms of location and maturity in property owner composition the objective is to highlight the potential contribution of BIDs to bring forward and fund regeneration amidst ongoing economic uncertainty and constrained financial conditions.

The ‘value created’ by BIDs can be further extenuated to include development capital attracted to the area over and above that funded by the BID. Twenty of the 60 BIDs contributing to the study (33%) played an active role in facilitating development activity within their designated business district. Development activities ranged from improvements in the public realm (Plymouth and Winchester), major infrastructure provision (New West End Company), commercial property development (Truro) to large scale mixed-use schemes (Kingstonfirst). The cumulative investment attracted as a result of development activities over and above those funded directly by the 20 BIDs amounted to circa £875m, a figure which includes the substantive £800m mixed-use development scheme at Eden Quarter, Kingstonfirst continues to occupy a key facilitator role in moving this project forward. Pertinently £44.6m of the development capital attracted over and above that directly funded by the BID would not have taken place if the BID had not been designated. At the individual BID level the range of development associated investment directly attributable to the BID but not funded by the BID company range from £63,000 (Royston First) to £19.2m (Heart of London Business Alliance).

The additionality brought about by BIDs is further manifest in the expansion in tourism related activities within the designated BIDs as well as bringing forward and facilitating development activity and associated investment external to the BID expenditure. In total, 34 City Centre BIDs profess to being involved in tourism related activities as part of their business function either directly, in partnership or in a more strategic role as an influencer of tourism policy. Seventeen of the 51 City Centre BIDs are directly responsible for the

delivery of some form of tourist activity, a total of 22 BIDs are engaged in partnership arrangements with other stakeholder groupings including local authorities, tourism agencies, visitor centres and development companies in the promotion and delivery of tourist activities (Figure 5.7). In total, 17 BIDs are considered to be in a position to influence tourism policy within their geographic area. The extent and source of BIDs influence on tourism policy is wide ranging and includes tangible inputs such as events organisation, promotional activities/literature, whilst more subtle techniques have centred on security provision which enhance the perception of an area thereby improving its marketability as a tourist destination. In a number of cases BIDs have teamed up with other key stakeholder groupings in the locality to maximise the tourist potential and ensure the designated BID is a key component of the tourism experience.

in the second year of their business cycle is highly commendable and points to the growing understanding, appreciation and maturity of the BID structure across the UK.

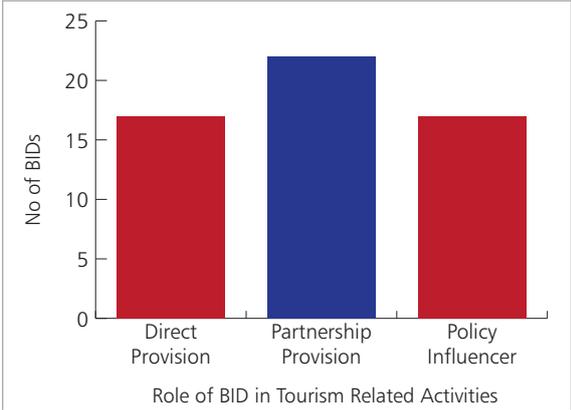


Figure 5.7 – Number of BIDs Involved in Tourism Related Activities

The overall evidence emerging from those BIDs most successful in securing additional funding over and above the BID levy suggests a requirement for strategic cohesive leadership as well as an effectively communicated and integrated vision across key stakeholder groupings. Invariably the capacity to attract additional income is dependent on the size, location, performance, function and maturity of the BID. The analysis suggests that established BIDs which can demonstrate a proven record of deliverance and value creation within their designated business district have the greatest capacity to attract additional sources of income, nonetheless the ability to attract investment is not confined to the mature BIDs, indeed the innovation and entrepreneurialism shown by a number of BIDs

Key Findings

ADDITIONAL BID FUNDING

- Fifty-one out of the sixty BIDs which contributed to the survey attracted additional income of £9.3m over and above the BID levy in the financial year 2009/10. City/Town Centre BIDs accounted for circa £8.9m of the additional income attracted whilst industrial BIDs commanded additional income of circa £423k over the same timeframe.
 - At the individual BID level, the New West End Company (£1.9m), Camden Town Unlimited (£1.2m), Croydon BID (£568k), Better Bankside (£431k) and Plymouth (£425k) attracted the highest volumes of additional income in the financial year 2009/10. The top five BIDs accounted for circa 50% of all additional income generated across the sample BID population in the financial year 2009/10.
 - Property owners, as in the financial year 2008/09, were the principal source of additional revenue generation across the BID community accounting for £2.1m (22.6%) of all income receivable over and above the BID levy.
 - Ratio analysis of additional income relative to levy income across City/Town Centre BIDs (44 BIDs) equates to 1:0.39, meaning that for every £1 accrued through the BID levy £1.39 is committed to business development and regeneration across designated business districts. The income to levy ratio amongst Industrial BIDs (7 BIDs) equates to 1:0.59 meaning that for every £1 generated £1.59 is invested in regeneration and business development.
 - Seven BIDs (14% of the sample population) generated additional income in excess of their respective levies. At the individual level Camden Town Unlimited (1:3.29) achieved the highest income to levy ratio across the BID population.
 - It is hypothesised that the current BID population (102 BIDs) has the capacity to generate investment of circa £66m per annum for regeneration and business development based upon a cumulative mean of levy/additional income across the sample population.
 - The cumulative investment attracted as a result of development activities over and above those funded directly by BIDs amounted to circa £875m. Notably, £44.6m of this investment would not have taken place without the presence of a designated BID.
 - BIDs like other more conventional forms of business structure will be impacted upon by contractions in government spending. In this respect the innovation and entrepreneurialism shown by a number of BIDs in creating additional forms of income stream is highly commendable and points to the growing understanding, appreciation and maturity of the BID structure across the UK.
 - The realignment of government spending and the drive for efficiency savings will invariably bring about opportunity. In this respect the delivery of council services is an area primed for further expansion amongst the BID population as familiarity and acceptance of the BID concept transcends different strands of government.
-

6.0 BIDs Performance Measurement and Review Process

Current business development in the UK is influenced strongly by economic strategies employed to manoeuvre cities and towns out of recessionary hardship. Indeed, the adoption of BIDs in many urban areas of the UK has encouraged greater economic competitiveness by providing a mechanism whereby business development can be supported in a more sustainable manner through effective leadership and the utilisation of a proactive management structure. In facilitating this, BIDs must use metrics to analyse their performance to ensure the delivery of an effective and, where possible, cost neutral business model to make certain that the added value of BIDs is maintained and strengthened during the course of their term.

From the survey analysis it is evident that 70% of respondent BIDs have implemented performance measures to enhance the strength of the BID. Furthermore, analysis reveals that measuring performance is mostly conducted through one to one meetings (95.2%) with businesses in the BID. Indeed, a substantial majority of BIDs (87.5%) who responded suggested that group meetings/events are also utilised to capture performance levels. Clearly a review process on BID performance which is based on independence, quality standards and accessibility to data is necessary with independent analysis being used by some multiples in order to verify that target measures are met. In this regard a methodology for assessing BID sites that are performing well relative to those that are underperforming is essential to the review process.

Disaggregation into Industrial and City/Town Centre BID sub-groups, shows that many of the BID management teams favour conducting performance measurement 'in-house' rather than out-source to external organisations as this attributes to higher costs. Indeed, 67% of City/Town Centre BIDs favour one to one meetings 'in-house' whereas only 7% of City/Town Centre BIDs outsourced their performance capture. In contrast, only 56% of Industrial BIDs chose 'in-house' methods, with 44% non-responses.

With regard to the processes in place to measure the performance and impact, the analysis indicates that engagement rates with businesses in the BID are on average, relatively moderate with 59% of levy payers in the BIDs informing the performance measurement process through one to one in-house

consultation. It would appear that a varied picture emerges when examined at the City/Town Centre and Industrial BID levels with an average of 39% (City/Town Centre BIDs) and 55% (Industrial Area BIDs) of levy payers involved in one to one in-house performance measuring. Survey responses also indicate that whilst the utilisation of groups/ events is apparent in the measurement process, less involvement with businesses in the BID occurred on average. Testament to this is the lower average percentage of levy payers involved in the process with only 31% of levy payers in City/Town Centre BIDs involved and 25% of businesses within Industrial BIDs (Figure 6.1).

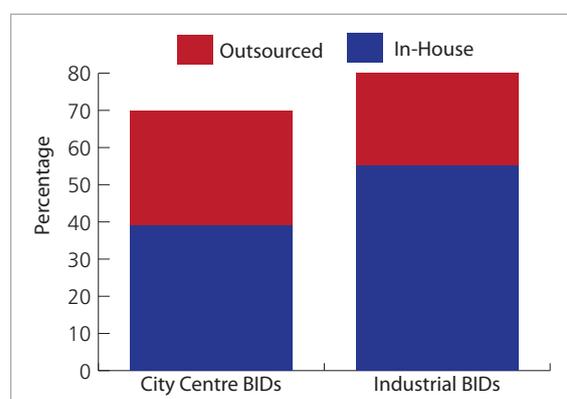


Figure 6.1: BIDs involvement of levy payers in the performance measurement of BIDs

In terms of good practice concerning performance measurement, the Plymouth BID, applies a focused approach to outputs which is delivering tangible benefits for the city centre. The outturn, as assessed against a number of key indicators over its first three years shows that the Plymouth BID is delivering a healthy return leveraged by levy contribution, achieving £3m in matching funding, attracting 591,000 additional visitors to events worth an extra £23m, providing a 23% reduction in crime in the city centre, and producing a masterplan and vision for the West End in partnership with Plymouth City Council to implement £3.1m in major public realm expenditure⁴.

The inference from the research analysis, therefore, indicates that most BID management teams are aware of the need for performance measurement;

4 Plymouth BID Review, Three Years of Delivery 2005-2008, Plymouth City Centre Company.

however, the key challenge is to build upon this recognition by maximising the number of BIDs involved in the performance measurement process. In doing this, the research evidence shows that there is a need to develop and apply indicators which can be benchmarked against the performance of other BIDs which would entail providing robust data and analysis, developing and delivering an agreed industrial standard to determine performance. In turn, this would help facilitate a better understanding of out-turn performance to influence cost reduction strategies and income maximisation. The types of measurement indicators required to assess BID performance include:

- Input measures that track BID action against original intentions
- Output measures that gauge opinion and collect statistical data
- Operational measures that monitor the essential tasks associated with managing the BID
- Impact measures that assess performance based on value for money, additionality and benefits to businesses

To analyse performance many BIDs (67.3%) are utilising on-street surveys with BID users to gather independent information. However, given the nature of the on-street surveys, it was found that this type of indicator was only utilised by City/Town Centre BIDs, with no evidence emanating from Industrial BIDs where on-street activity is of little relevance to their commercial viability. Indeed, 66% of City/Town Centre BIDs used this method to compliment levy payer feedback with more BIDs (61% of those surveyed) outsourcing this task to external samplers. It was also found that the majority of on-street surveys were carried out on an annual basis (63%), with more frequent sampling being carried out on a monthly (6%) and quarterly (16%) basis - but as can be seen, this was less favoured by many BIDs due to time and cost. Other BID respondents (19%) indicated that these types of survey were conducted less than once per annum. Moving forward, it would appear that BIDs need to identify a strategy whereby income is ring-fenced to facilitate data collection and analysis in order to maximise performance and impact of the BID on service provision and more intense activities such as regeneration and the attraction of inward investment in the BID area.

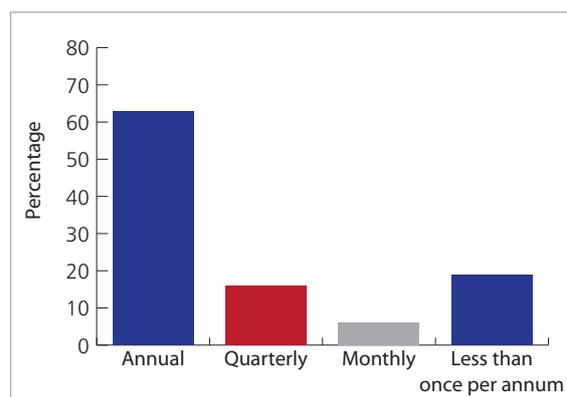


Figure 6.2: Time period of performance measurements by BID

The analysis clearly highlights the importance of quality data, utilising a variety of sources which include a combination of qualitative (focus groups, improved market strategies and interviews) and quantitative (questionnaires) methodologies. In raising the profile of BIDs as a funding concept within the UK and Ireland, it is considered imperative that analysis such as the Annual Nationwide BID Survey is used within a decision making and policy context.

Responses illustrate that the majority of BIDs (88%) do undertake a review of their business and operating models to ensure that a sustainable and equitable framework is in place to maximise the potential of the BID. Analysis suggests that the majority of these reviews (77%) were conducted in-house, with 33% out-sourced. Indeed, it is evident that any out-sourcing that does occur is only done so by City/Town Centre BIDs, with all Industrial BID respondents carrying reviews out in-house to minimise associated costs. The review process is usually conducted on an annual basis (68%), however, there are some BIDs (only in City/Town Centres) who conduct half year reviews. Given the associated costs incurred from data collection it is imperative nevertheless that all BIDs should undertake a review of performance at least annually. The analysis indicates that half-yearly reviews can be costly and time consuming to smaller BIDs where the emphasis needs to be on management including cost saving strategies. However, in the case of larger BIDs there may be benefits in more regular monitoring of performance if it is cost effective and adding value to the BID area. Inevitably, the performance of any BID will be based upon its capacity to analyse performance in conjunction with a proactive BID strategy capable

of implementation and delivery over the BID term. If BIDs are to be a credible policy mechanism in the current economic environment then they clearly do need to identify an outgoing and innovative strategy capable of maximising their business potential and dealing with the challenges facing the BID business community. Recently, the emergence of a number of evaluation schemes in the UK, such as the British BIDs Accreditation Scheme, allows for an external assessment audit of the value added and outturn performance of BID types⁵.

Key Findings

BID LEVY COLLECTION

- BIDs are encouraging sustainable business development through enhanced management structures.
 - BIDs must use metrics to analyse their performance to ensure the delivery of an effective and, where possible, cost neutral business model to make certain that the added value of BIDs is maintained and strengthened during the course of their term.
 - Independent analysis is being used by some multiples in order to verify that target measures are being met.
 - A methodology is required for assessing BID sites that are performing well relative to those that are underperforming is essential to the review process.
 - In terms of a good practice example concerning performance measurement, the Plymouth BID applies a focused approach to outputs which are delivering tangible benefits for the city centre.
 - Group meetings and events are being utilised to capture performance levels.
 - BID management teams favour the use of in-house measurement structures rather than bearing additional cost through out-sourcing.
 - If BIDs are to be a credible policy mechanism in the current economic environment then they clearly do need to identify an outgoing and innovative strategy capable of maximising their business potential and dealing with the challenges facing the BID business community.
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⁵ Various approaches are now evolving to assist with BID monitoring. For example British BIDs has become the industry standard to measure a BIDs quality management systems focusing on 5 key areas of operation namely management, governance, financials, communications and relationships, www.britishbids.info

7.0 Conclusions

Government policy is increasingly striving to create an environment that encourages greater local authority empowerment and business engagement. The challenge for many local communities is to develop a favourable level of genuine dialogue and create an environment within which further engagement and empowerment can take place. Various suggestions are being put forward as ways to encourage greater engagement between business and government. Whether we consider Local Enterprise Partnerships, Accelerated Development Zones, or the increasing use of BIDs it is clear that business will need to be engaged to a much greater extent in local partnerships and decision making.

Across the UK various legislative/policy initiatives are either at an early stage of being considered or implemented such as the Decentralisation and Localism Bill 2010 and establishment of Local Enterprise Partnerships in England⁶ including the Parliamentary Enquiry into Localism in Decentralisation⁷ with a focus on place, services and budgeting, the Town Centre Regeneration Fund in Scotland⁸; the Future of Town Centres in Wales⁹ and the recent announcement by the Northern Ireland Assembly to take forward legislation giving greater powers to businesses to improve town centres¹⁰. In each of the respective jurisdictions local authorities are expected to develop through community-led strategies clear policies to achieve vital, attractive and viable town/city centres in partnership with business.

This research clearly indicates that BIDs as a mechanism offers the potential to provide genuine dialogue and engagement with business. The private sector has shown its willingness to actively engage. However in order to develop and sustain partnership structures and maintain their effectiveness it is imperative that government infrastructure is committed to meeting the long term needs of BIDs as a delivery mechanism for local economic development and regeneration of business.

The research also highlights the potential for BIDs as a business-led initiative which can make things happen within a local trading environment. In an era where increasing expectations are placed on government and public services, BIDs can be seen as providing an opportunity to widen local choice by promoting partnership between business and local government. The research evidence, further points to the commercial gain of working in partnership by promoting economic development, maximizing delivery of service provision and ensuring better value for money. Specifically the BIDs agenda encourages businesses to engage in identifying the challenges facing the designated BID area and to deliver a business plan which achieves real solutions. Furthermore the research indicates that, in the respective parts of the UK where the BID model is being progressed, the consensus of opinion supports the initiative as an opportunity to engage with the business community, agree accountability for additional service delivery and to target investment at local level.

The key conclusions/findings of the research are as follows:

In the current economic downturn BIDs as business-led initiatives can help cushion the impact by widening local choice and in promoting partnership between businesses and local government. However, BIDs need to adopt innovative approaches which can make things happen within a local commercial environment. This will necessitate upgrading the commercial and environmental performance of BID areas and putting business at centre stage to oversee the operations. In this regard the survey evidence reveals a concerted effort by the more progressive BIDs to create new approaches to BID delivery.

Evidence from across the City/Town Centre BID sites indicates innovation in implementing clean and green projects and marketing and events and to a lesser degree on collective purchasing projects whereas in the case of Industrial Area BIDs the

6 Department of Communities and Local Government, www.communities.gov.uk

7 DCLG Commons Select Committee Localism Enquiry, October 2010, www.parliament.uk

8 The Scottish Government, Town Centre Regeneration Fund, www.scotland.gov.uk

9 Planning for Retail and Town Centres, Welsh Assembly, July 2010, www.cymru.gov.uk

10 Department for Social Development, DSD Press Release, Giving businesses more powers to improve town centres, 14th June 2010.

innovation is occurring in crime prevention. On average City/Town Centre BIDs are introducing a combination and wider range of innovative approaches to service delivery. It is recognised that measures such as collective purchasing, marketing and sales are important as cost efficiency savings assume greater significance. Projects including community policing and crime prevention are being advanced across all BID sites. It is apparent that some BIDs are aware of the need to consider cost neutral strategies in the current financial climate by commercialisation of BID supplies and services, in particular waste management and recycling followed by marketing, insurance and energy costs; and to a lesser degree the commercialisation of telephone and business equipment, pest control and parking.

There is an increasing awareness within BID management teams of the benefits of commercialised instruments, joint procurement, recycling initiatives and mechanisms to identify bottom-line savings for businesses. The impacts of the recessionary pressures are also resulting in BID actions to control costs by providing business support services, managing vacant units, reducing levy and parking charges, targeting business grants and financial assistance, and developing collaborative partnerships with public entities. Measures to counter the increasing effects of vacancy in high street properties include enhancing the cosmetics of vacant premises by proactively encouraging art displays, advertising of businesses within the BID as well as providing the premises to charities on short-term loans.

The survey evidence shows that BIDs are securing a high levy collection rate especially in the City/Town Centre BID category which outperforms Industrial Area BIDs. Furthermore the analysis indicates that the City/Town Centre BIDs are more efficient in terms of the BID levy collection rate relative to their Industrial BID counterparts. In most City/Town Centre BIDs the local authority performs a similar function in collecting the levy charge. In order to maximize the BID income over the course of a financial year some management teams are proactively encouraging property owners to assume responsibility of contributing financially towards the BID area.

The capacity of BIDs to secure revenue over and above the BID levy not only complements the income stream but is also an important dynamic in creating the multiplier effect. Fifty-one out of the

sixty BIDs which contributed to the survey attracted additional income of £9.3m over and above the BID levy in the financial year 2009/10. City/Town Centre BIDs accounted for circa £8.9m of the additional income attracted whilst industrial BIDs commanded additional income of circa £423k over the same timeframe. At the individual BID level, the New West End Company (£1.9m), Camden Town Unlimited (£1.2m), Croydon BID (£568k), Better Bankside (£431k) and Plymouth (£425k) attracted the highest volumes of additional income in the financial year 2009/10. The top five BIDs accounted for circa 50% of all additional income generated across the sample BID population in the financial year 2009/10. Property owners, as in the financial year 2008/09, were the principal source of additional revenue generation across the BID community accounting for £2.1m (22.6%) of all income receivable over and above the BID levy.

Ratio analysis of additional income relative to levy income at the cumulative BID level (51 BIDs) equates to 1: 0.40, meaning that for every £1 accrued through the BID levy £1.40 is committed to business development and regeneration across designated business districts. Ratio analysis of additional income relative to levy income amongst City/Town Centre BIDs (44 BIDs) equates to 1: 0.39, the additional income to levy income ratio amongst Industrial BIDs (7 BIDs) equated to 1: 0.59. Seven BIDs (14% of the overall sample population) generated additional income in excess of their respective levies. At the individual level Camden Town Unlimited (1: 3.29) achieved the highest income to levy ratio across the BID population.

The current BID population (102 BIDs) has the capacity to generate investment of circa £66m per annum for regeneration and business development based upon a cumulative mean of levy/additional income across the sample population. The cumulative investment attracted as a result of development activities over and above those funded directly by BIDs amounted to circa £875m. Notably, £44.6m of this investment would not have taken place without the presence of a designated BID.

BIDs like other more conventional forms of business structure will be impacted upon by contractions in government spending. In this respect the innovation and entrepreneurialism shown by a number of BIDs in creating additional forms of income stream is highly commendable and points to the growing understanding, appreciation and

maturity of the BID structure across the UK. The realignment of government spending and the drive for efficiency savings will invariably bring about opportunity. In this respect the delivery of council services is an area primed for further expansion amongst the BID population as familiarity and acceptance of the BID concept transcends different strands of government.

The progression from BID 1 to BID 2 is interesting in that the level of support over time has strengthened and the renewal results have increased in most cases. Indeed, the key messages emanating from the research show positive responses concerning performance measures on value for money, additionality and benefits to business indicators. The improved performance at the renewal stage is reflected in the business sentiment and confidence in the Plymouth, Swansea and Birmingham BIDs. The success of BID core strategies reflects the focus on innovation by boosting competition, vibrancy and retail confidence and reducing costs to help cash flow. Where there is evidence of good management practices this is normally supported by a cocktail of funding to assist the sustainability of the BID.

BIDs are encouraging sustainable business development through enhanced management structures. In this regard, BIDs need to make proficient use of metrics to analyse their performance, to ensure the delivery of an effective and, where possible, to promote the cost neutral business, model by making certain that the added value of BIDs is maintained and strengthened during the course of their term. Group meetings and promotional events are being utilised to capture performance levels. BID management teams favour the use of in-house measurement structures rather than bearing additional cost through outsourcing. If BIDs are to be a credible policy mechanism in the current economic environment then they clearly do need to identify an outgoing and innovative strategy capable of maximising their business potential and dealing with the challenges facing the BID business community.

A number of the progressive BIDs are showing evidence of playing a facilitating/catalytic role in bringing development funding and projects to the BID area. This is an indicator of the growing confidence within the progressive BID teams and further illustrates the leverage capacity of the BID in attracting new investment-led projects. Although the messages from the Nationwide BID Survey 2010

are largely positive there are nevertheless a number of issues that need attention going forward. The level of business engagement is still in need of improvement across the board. Even though BIDs are being endorsed by the business and trading organisations BID management teams need to engage more with the businesses and secure greater buy-in. The squeeze on finances is placing additional pressures on BIDs which stresses the need for increasing the sources of funding through innovative initiatives to supplement the levy income. The financing issue is of paramount importance in addressing the pressure that is being placed on baseline service agreements in terms of compliance and enforcement.

Finally it is important to acknowledge those BIDs which have responded to the Nationwide BID Surveys in 2009 and 2010. It is also critical to highlight concerns regarding the response rate to the Nationwide BIDs Survey 2010 which was significantly lower than that reported for the 2009 Nationwide BIDs Survey. Indeed it is disappointing to note that the 58.2% response rate in 2010 (60 responses from 102 BIDs) was substantially less than the 78.2% response rate in 2009 (68 responses from 86 BIDs).

It is important to stress the significance of the survey which is sponsored by Alliance Boots, the British Council for Shopping Centres and the New West End Company; and supported by other leading trade organisations. The findings are valued by a wide breadth of organisations within and on the fringes of the BID industry. The collection of quantitative and qualitative data is important to the role and purpose of the survey. The BID industry requires accurate and up-to-date databases to allow for benchmarking and on-going assessment on performance indicators. If the survey is to be successful and sustainable going forward it is imperative that all BID managers provide the impetus to complete the survey thus facilitating a comprehensive analysis of UK/Ireland BIDs in 2011.

8.0 Future Investigation and Priorities

Stemming from the research, a number of key findings highlight the potential of BIDs to make a valued contribution to the regeneration and economic development of town centres, industrial estates and commercial/mixed use areas. However, the research findings present a number of challenges for the BID process and the respective stakeholders concerning the governance, management and financial viability of BIDs.

The findings from this research indicate a number of priorities requiring further investigation over the short to medium term:

- There is a need to take cognisance of the impact of the recessionary pressures on prime (city/town centres) and sub-prime (regeneration and industrial areas) locations including the effects on high streets and redevelopment areas and to specify how the new post recessionary model will address key strategic issues facing BIDs in terms of priority policy areas relating to place marketing, public realm, capital work schemes, accessibility to vital services, safety and security, and the costs of complying with regulatory and fiscal burdens on business. Sustained and focused management of BID areas is necessary to allow high streets to adapt to changing business demands.
- There is a need for concerted co-operative actions by public and private partners in delivering on the strategic vision for high streets and development areas with the BID acting as the preferred mechanism for raising levy income and additional revenue to finance local requirements through a top down and bottom up implementation agenda. Government in partnership with industry needs to simplify and consolidate existing regeneration funding streams, increase financial and policy autonomy at local level and introduce supporting local financial tools that enable forward funding of infrastructure provision. It is anticipated that these issues will be addressed in the forthcoming Decentralisation and Localism Bill 2010 and by the newly formed Commons Select Committee, Parliamentary Enquiry into Localism in Decentralisation.
- There is a need to continue the intensification for an effective accreditation scheme which includes analysis and certification that BIDs are delivering real value to levy payers. Any accreditation scheme requires an external assessment audit of the value added and outturn performance of BID types based on economies of scale, cost savings, levy and additional leveraged funding, and delivery benchmarked against key performance indicators. It is imperative that all operating BIDs participate in the appraisal process. The appraisal process which needs to evaluate the BID business plan based on an assessment of delivery on key performance criteria such as the implementation of action plans, the structure and management capacity of BID teams, the management of variations within the BID plan process, the delivery of innovative 'extras' within the BID proposal, transparency on baseline agreements and business rate databases, and the leveraging and reinvestment of levy and additional funding into the BID area. The types of measurement indicators required to assess BID performance need to include input measures that track BID action against original intentions; output measures that gauge opinion and collect statistical data; operational measures that monitor the essential tasks associated with managing the BID; and impact measures that assess performance based on value for money, additionality and benefits to businesses.
- There is a need to research the competitive capacity of BIDs as a funding mechanism compared to other local asset based financing vehicles, targeting new and innovative financing models, leveraging of new funding streams, financing of infrastructure and regeneration, and assessing the risk-return profile on investment in BID areas. The capacity of the BID to secure revenue over and above the BID levy not only complements the income derived but is an important dynamic in creating the multiplier effect whereby for every £1 generated by the BID levy additional value is added in terms of the volume of investment and development activity within the designated business district. There is a need to build upon the delivery outcomes of the more mature BIDs which are in essence cost neutral initiatives, by generating additional income on a par with or in excess of their respective levy. The advantage of using BIDs in parallel with other initiatives such as Tax Incremental Financing/Accelerated Development Zones would also be complementary in using

anticipated future increases in tax revenues to finance infrastructure and regeneration and to enable local authorities to trade anticipated future tax income for a present benefit¹¹.

- There is a need for on-going assessment of renewal BIDs with regard to the strategies employed in securing a mandate from businesses for a second term. It is important to the creditability of the BID that the results of the renewal ballot show an increase over the first ballot. This gives confidence to the BID team in taking forward a BID business plan in partnership. It is anticipated that the BID action plan will build upon and extend the work of BID 1 by attracting more customers, improving the customer experience, supporting small businesses, and planning and delivering with partners new city/town centre regeneration projects. A strong renewal mandate can provide the impetus to broaden the BID remit and extend the breadth of activity beyond improved service provision into more ambitious schemes for the regeneration of the BID area and to operate more expansively on behalf of its retailers and businesses at local, national and international levels.
- There is a need to recognise and assess the growth/importance of the industrial BID category which has expanded considerably across the UK. Starting from a low base in 2006 there are now 26 industrial BIDs which constitutes a distinctive asset class representing approximately 25% of BIDs in the UK. Whilst the majority of industrial BIDs see security of their BID area as priority there is an increasing need to specifically analyse this sub-group in detail and distinctly from the other BID types. In this report the industrial BID category has been analysed and compared to the City/Town Centre BID. It is proposed that this sub-group should be analysed in greater detail and as a unique sub-category with a specific section of the Nationwide BID Survey Report 2011 devoted to industrial BIDs.
- There is a need to assess the interrelationship between policy and delivery instruments attached to town centres. In the case of planning policy the impact test along-side the sequential test constitutes the key development management assessment tools employed in the respective jurisdictions of the UK and Ireland. The health of City/Town Centre BID areas is clearly a critical policy pathway which is dependent on the quantification of key indicators, the actions undertaken to improve vitality and viability, and the cost effectiveness of BID delivery. A suggested methodology for evaluating a City/Town Centre BID area would include: firstly an examination of past and future retail trends based on economic/financial, demographic/social and property/regeneration indicators; secondly an assessment of the health of the BID area including the measures undertaken to improve the City/Town Centre; and thirdly using case study analysis to show good practice of action-led approaches in responding to town centre vitality and viability indicators. The importance of indicator measurement is to help in determining the economic competitiveness of city/town centres and to support business engagement through more effective localism and partnerships. This would assist the business case of how large high street operators/multiples can engage more effectively by translating their global corporate objectives to the local level. The out working could include endorsements from chief executives of the multi-national corporates regarding local engagement supported by evidence of practice showing how businesses are using internal processes to manage localism within their organisations.

11 Research into tax incremental financing models is currently being undertaken by the Universities of Aberdeen and Ulster

Appendix 1

Listing of All BIDs in UK and Ireland

(*Participating BIDs in 2010 Survey)

1. Albion Business Consortium*
2. Alloa BID
3. Altham BID *
4. Angel AIM*
5. Argall BID
6. Astmoor Industrial Estate
7. Barnstaple
8. Bathgate*
9. Bayswater*
10. Bedford BID (2nd term)*
11. Better Bankside (2nd term)*
12. Birmingham Broad Street BID (2nd term)
13. Blackburn EDZ BID
14. Blackpool Shore South
15. Blackpool Town Centre BID
16. Bolton Industrial Estate*
17. Boston BID*
18. Brackmills Industrial Estate BID
19. Brighton BID*
20. Bristol Broadmead BID*
21. Bury St Edmunds*
22. Camden Town Unlimited*
23. Cannock Chase BID
24. Canterbury Industrial Park BID
25. Cater Business Park
26. Clackmannanshire
27. Clarkston
28. Colmore BID
29. Coventry City Centre BID (2nd term)*
30. Coventry city wide BID
31. Cowpen BID
32. Croydon Town Centre BID*
33. Daventry BID*
34. Derby Cathedral Quarter BID
35. Dorchester BID*
36. Dublin
37. Dundalk
38. Dunfermline
39. E11 BID (Leytonstone)*
40. Ealing Broadway BID*
41. Edinburgh BID*
42. Elgin
43. Erdington Town Centre BID
44. Falkirk BID*
45. Falmouth BID*
46. Garratt Park Industrial BID*
47. Greater Yarmouth
48. Hainault Business Partnership*
49. Halebank Industrial Estate
50. Hammersmith London*
51. Hams Hall
52. Heart of Hitchin*
53. Heart of London Business Alliance (2nd term)*
54. Hinckley BID*
55. Hull BID*
56. Ilford BID
57. InHolborn (2nd term)*
58. InSwindon*
59. Inverness
60. Ipswich Central BID*
61. Keswick BID *

- | | | | |
|-----|---|------|-------------------------------|
| 62. | Kippa BID Ltd* | 97. | Willow Industrial Estate BID* |
| 63. | Kings Heath BID | 98. | Winchester* |
| 64. | Kingston First (2nd term)* | 99. | Winsford 1-5 BID |
| 65. | Kirkcaldy | 100. | Witham |
| 66. | Lancing BID | 101. | Worcester* |
| 67. | Lincoln BIG (2nd term)* | 102. | Worthing BID* |
| 68. | Liverpool BID (2nd term) | | |
| 69. | London Bridge BID * | | |
| 70. | London Riverside BID* | | |
| 71. | Longhill & Sandgate BID | | |
| 72. | Mansfield | | |
| 73. | New West End Company (2nd term)* | | |
| 74. | Newcastle BID* | | |
| 75. | Nottingham Leisure BID* | | |
| 76. | Oldham | | |
| 77. | Paddington BID (2nd term)* | | |
| 78. | Plymouth BID (2nd term)* | | |
| 79. | Preston BID | | |
| 80. | Reading BID2 (2nd term)* | | |
| 81. | Retail Birmingham | | |
| 82. | Royal Leamington Spa | | |
| 83. | Royston BID* | | |
| 84. | Rugby BID (2nd term)* | | |
| 85. | Segensworth BID (first cross-borough BID) | | |
| 86. | Skipton BID* | | |
| 87. | Sleaford BID* | | |
| 88. | Solihull | | |
| 89. | Southern Cross | | |
| 90. | Stratforward* | | |
| 91. | Swansea* | | |
| 92. | Taunton | | |
| 93. | Torquay* | | |
| 94. | Totally Truro* | | |
| 95. | Victoria BID* | | |
| 96. | Waterloo Quarter* | | |

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Published October 2010
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