BritishBIDs®

NATIONAL BIDS SURVEY 2019

Business Improvement Districts
in the British Isles

Executive Summary and Key Headlines

Authored by Professor Christopher Turner
Chief Executive, British BIDs

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Executive Summary and Key Headlines

BUSINESS IMPROVEMENT DISTRICT (BID) NUMBERS

The active BID community totalled 321 in July 2019, a 5% increase on the 305 of last year, suggesting an increasing benefit to the local business communities.

There are currently 51 BIDs that are in the development stage, with ballots coming up in the next year or so. This is an increase of 8% over the 47 that were developing in the last survey, most of which have now come to successful ballot.

The total number of BID start-up loans administered on behalf of Ministry of Housing, communities and local government (MHCLG) by British BIDs awarded thus far is 33 and the amount of loans granted is £1,086,135 in total.

BALLOT DATA SINCE 2004

Since the legislation in 2004, 409 BIDs have gone to ballot at least once, and some several times as their terms extend. Some have not come to fruition at ballot, some have ceased mid-term or at the end of their term.

The analysis of ballot outcomes by term of BID ballot suggests that success increases with each term, as BID teams get more confident at meeting the needs of their levy payers. There have been 669 ballots, with success rates for each term steadily improving from 72.2% to 100%. There is an overall success rate of 86.49%.

Data from 409 ballots over the past ten years suggests that the turnout picture is positive, with half of all BIDs obtaining a turnout of at least 45%, and 25% obtaining a turnout of over 56%.

However, eight BIDs had a turnout of less than 30% at their first term ballot.

There have been a number of failed ballots, with 76 failed in total since 2004.

409

BIDS HAVE GONE TO BALLOT SINCE 2004

86.49%

OVERALL SUCCESS RATE

50%

OF BIDS OBTAINING A TURNOUT OF AT LEAST 45%

25%

OF BIDS OBTAINING A TURNOUT OF OVER 56%

BALLOTS IN THE PAST YEAR

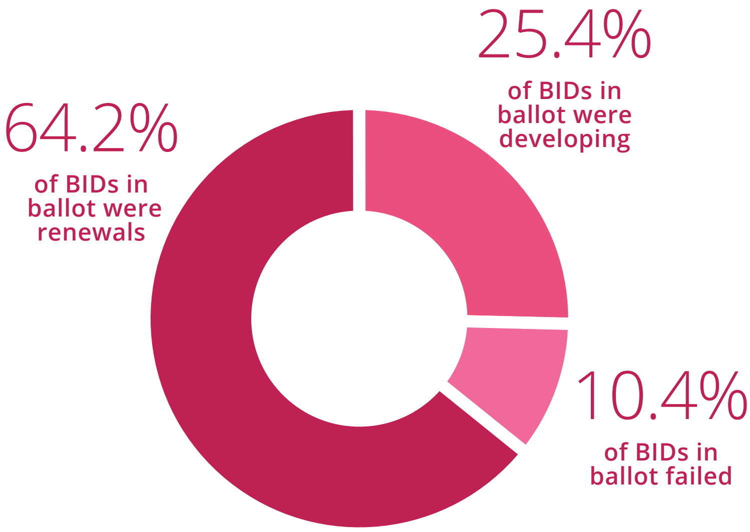
67 BIDs have come to ballot in the past 12 months, either new or at various stages of their term, giving a sense of the workload of the national head office levy payers who cast their votes.

Of these, 17 were new BIDs coming into being during the survey period, along with four that failed their first term ballots, of which one went to a re-run ballot successfully.

Seven BIDs failed at ballot in the past 12 months, one more than last year. Four at the first term, two at their second term ballot and one at their third term.

Of the seven, four failed by the rateable value (RV) count, suggesting an increased involvement of the national levy payers for whom BIDs are now a serious cost to their head offices.

Anecdotally, this year has again seen an increased number of challenged BIDs, but, to our knowledge, no challenges were upheld.



LEVY RATES AND HEREDITAMENTS

There was a concentration in previous years at the 1% levy rate, but this is now less common with only 61 (19%) of BIDs; and 1.5% is becoming increasingly used, with 94 BIDs (29.38%) this year.

There is also a number who use a banded system, with 41 BIDs (12.8%), often Industrial BIDs, having banded levies, and a very few who use some different system such as employee number, or a multiple rate.

Half of all BIDs have below 394 hereditaments, the largest is 3,000 and currently eleven BIDs have more than 1,000 hereditaments

The typical number of hereditaments falls between 269 and 545, with 33 BIDs having over 700 hereditaments.

The total number of hereditaments across all BIDs in the survey is 128,785; there has been some 63.95% growth over the four years, although some of this may be because of better data collection.

On the other hand, the annual growth in numbers of hereditaments is slowing.

INCOME

The total BID levy income raised across the UK is £125,205,608 (2018 = £110,575,380), showing a 13.3% increase over last year; some of this increase is due to inflation factors or RV changes and some is the growth in BID numbers.

Levy income varies widely across the BIDs, with the smallest collecting £18,500 and the largest £3,979,000 per annum.

Half of all the BIDs have a levy income of £279,000 or less; there are 21 BIDs with levy incomes over £1million, all are in the larger cities, where rateable values and thus income is higher.

128,785 hereditaments raise £125,205,608; thus, the average income is £972 per hereditament, slightly more than the £916 per hereditament the previous year.

QUALITATIVE DATA FROM A 35% SAMPLE OF BIDs

ADDITIONAL INCOME

The median figure for additional income is £19,052 and the highest amount £500,000; the total estimated additional income is £14,511,719, amounting to 11.59% of BID income across the country.

A total of 39 BIDs reported investment income of £32,605,600 as a direct result of their BID activity, although many others recognised investment has been achieved but is difficult to quantify.

TOTAL BID INCOME FROM ALL SOURCES

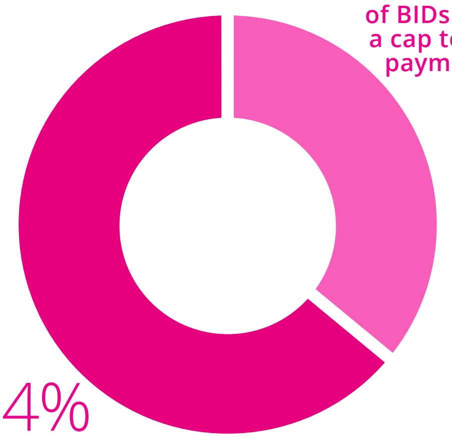
Summating the totality of BID levy income, additional funding, and investment funding gives a figure of £229,173,716 as the total UK contribution from all BIDs.

INFLATION, THRESHOLDS AND CAPS

32% of BIDs apply an annual inflation factor to the levy multiplier to ensure their income grows each year as their costs grow; 2.5% is the median inflation factor

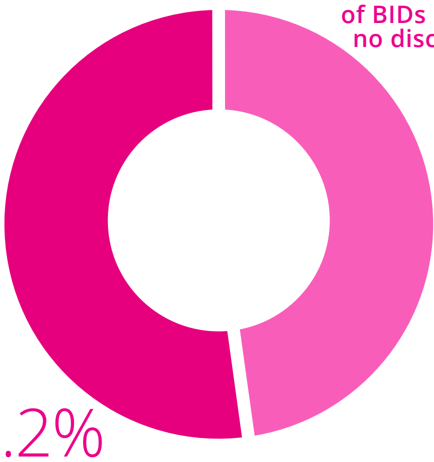
The distribution of thresholds varies greatly, with 25.9% having no threshold. The largest threshold identified was £250,000. 51.8% of BIDs keep their threshold at or below the level of the current government Small Business Rate Relief threshold of either £12,000, or the tapered figure of £15,000, used by 34.5% of BIDs.

36% of BIDs apply a cap to levy payments, protecting some levy payers from larger than normal levy payments. The largest cap in the survey was £40,000, with a median of £10,000.



DISCOUNTS OFFERED

47.8% of BIDs provide no discounts; of those which do offer discounts, the greatest number are for Charities and Shopping centres at 41% and 26% respectively. 4% of the BIDs specify that charity shops – that is those acting as retail outlets - are excluded from their discount rule.



LEVY COLLECTION CHARGES

15.9% of BIDs have no collection charge made to them by their Local Authority.

The levy collection cost per hereditaments gives a figure ranging from £0.2 to £85 per hereditament.

The median figure for those that pay a collection charge is £15.95 per hereditament. This is a reduction on the £20.73 per hereditament last year.

BUSINESS RATES REVALUATION

The business rates revaluation picture is still dramatic, with annual BID levy reductions as high as £254,676, or increases of £218,722.

The net change was £24,759 across the BID sector, mirroring the Government's view on the fiscal neutrality of the changes at a national level, but reinforcing the dramatic local impacts.

BOARDS

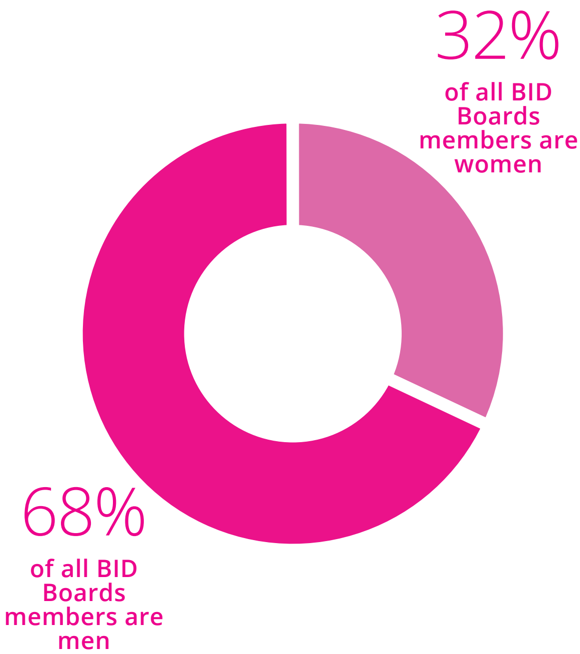
There is a spread of BID Board size and composition, although most range from 8-13, with the largest at 20 and a median size of 10.

There are 3,249 members of BID Boards across the country.

65% of BIDs have Local Authority representation, and there are 317 Local Authority directors across the industry.

68% of BIDs reported having property owners involved in their Boards, with a median number of 1 and a maximum of 8.

The median number of women on Boards is 3, and 1,015 women Board members across the industry; this amounts to 32% of all BID Board members.



On the matter of ethnic diversity, the responses from 91 BIDs identified 68 BAME directors, with the highest number on a Board being 12, and 240 across the industry.

90% of BIDs make their accounts publicly available to their levy payers in some fashion.

STAFF

BIDs employed nationally 1017 full time equivalent staff, an increase of 11.38% on last year.

73% of BIDs operate with three or fewer full-time staff, and 12.2% of the BIDs operated on a part-time team only. The gender balance amongst BID managers, based on simple forename analysis, is almost exactly 50:50 male: female.

External staff, that is staff permanently working for the BID but not on payroll, are used by 70% of BIDs. Most of the staff bought in are finance and bookkeeping at 40.9%; with marketing also important at 34.5%. Many of the 'other 'category included Rangers, Web design and event management staff. 10% of the sample described themselves as being overall managed by external consultants.

BASELINE STATEMENTS, AND TRANSFERRED SERVICES

90% of BIDs had baseline statements, but 10% did not, suggesting an issue of non-conformity at the ballot stage.

29% of BIDs felt that baseline statements were not being followed. Nonetheless, 27% felt that they were still being adhered to in difficult circumstances for many local authorities.

18% of BIDs confirmed they were considering some type of service transfer, although this was a reduction from the 19.3% last year. There continues to be less of an appetite for such service transfers.

STRATEGIC PARTNERS AND STAKEHOLDERS

21% of BIDs [20.75% last year] reported some involvement in Neighbourhood Planning within their area and 17 BIDs were actively involved at some level.

BIDs are becoming increasingly involved in Local Economic Partnerships (LEPs), with 42% signalling some involvement, and 37 BIDs actively involved.

19 BIDs were interested in taking Property Owner BIDs forward, an increase on the 19% last year; 75% remain unconcerned.

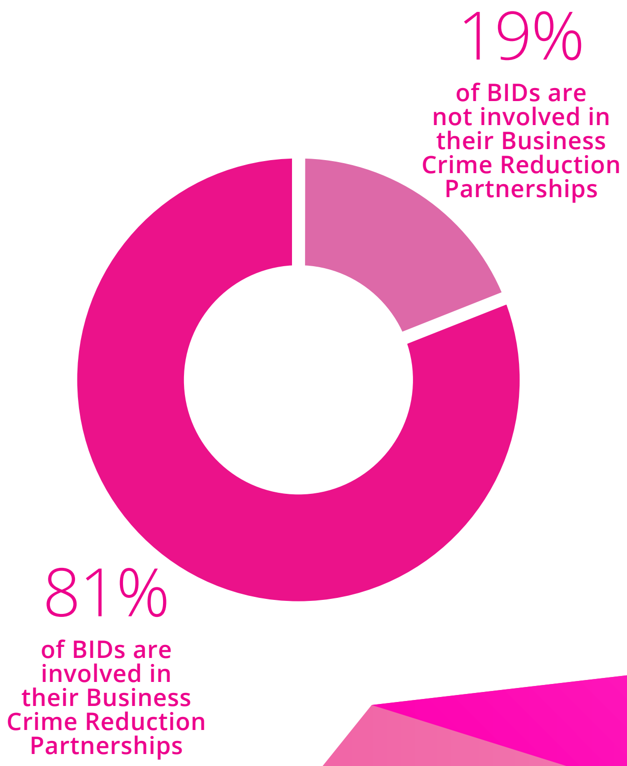
46.15% of BIDs were involved with their local Destination Management Organisation (DMO) in one form or another and expect to see growth in this activity.

SERVICE AND PROFESSIONAL SECTOR

50% of BIDs provide specific, dedicated support for their service and professional sector levy paying members. Much of this was in the areas of utilities cost reduction – waste, power, recycling; but some was in the areas of free wireless, Wi-Fi support and broadband provision.

BUSINESS CRIME REDUCTION PARTNERSHIPS

Most BIDs [81%] are heavily involved in their Business Crime Reduction Partnerships, often managing both Pub and Shopwatch; providing radios, DISC or similar, local policing, Rangers or Wardens and PCSOs.



PERMITTED DEVELOPMENT RIGHTS [PDR]

This year, only five BIDs identified significant losses because of PDR, with many either making use of the powers to help the local authority improve residential growth or successfully lobbied for their Local Authorities to implement an Article 4 amendment, which has made a difference.

KEY CHALLENGES

The key challenges raised by BIDs were matters of

- governance
- ballots and turnout
- the importance of the national levy payers
- financial stability
- relationships with local authorities

THIS YEARS NATIONAL BID SURVEY IS SUPPORTED BY

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For more than a decade now, Business Improvement Districts (BIDs) have been working to achieve growth and prosperity for city centres and other commercial or industrial areas up and down the UK. Today the UK is a world leader in digital infrastructure and services of all kinds. We have the largest digital economy in the G20. We're the biggest internet shoppers on the planet, leaders in programming and innovation, a hotspot for financial technology and a magnet for start-ups. But we're also in the grips of a technological revolution.

The internet is now something that touches virtually every aspect of our lives and its empowering influence is growing and evolving at an electrifying pace that shows no signs of slowing. Businesses that want to survive and thrive in this brave new world can't afford to get left behind, so having faster broadband technology is key. Full-fibre connectivity is a hot topic for parliament and took a headline slot in the queen's speech in October this year.

Full-fibre broadband will encourage investment in BIDs as it will help both new and developing BIDs to design their services and operations in the most effective fashion. It will also lead business sectors to new levels of achievement as firms will be able to stay afloat on this digital tidal wave. As local businesses collaborate to invest in projects, services and initiatives which improve the environment in which they work, in turn, the economy grows. We can work with you to bring a full-fibre connection to your business.

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