



# GUIDING PRINCIPLES OF A WELL MANAGED BID

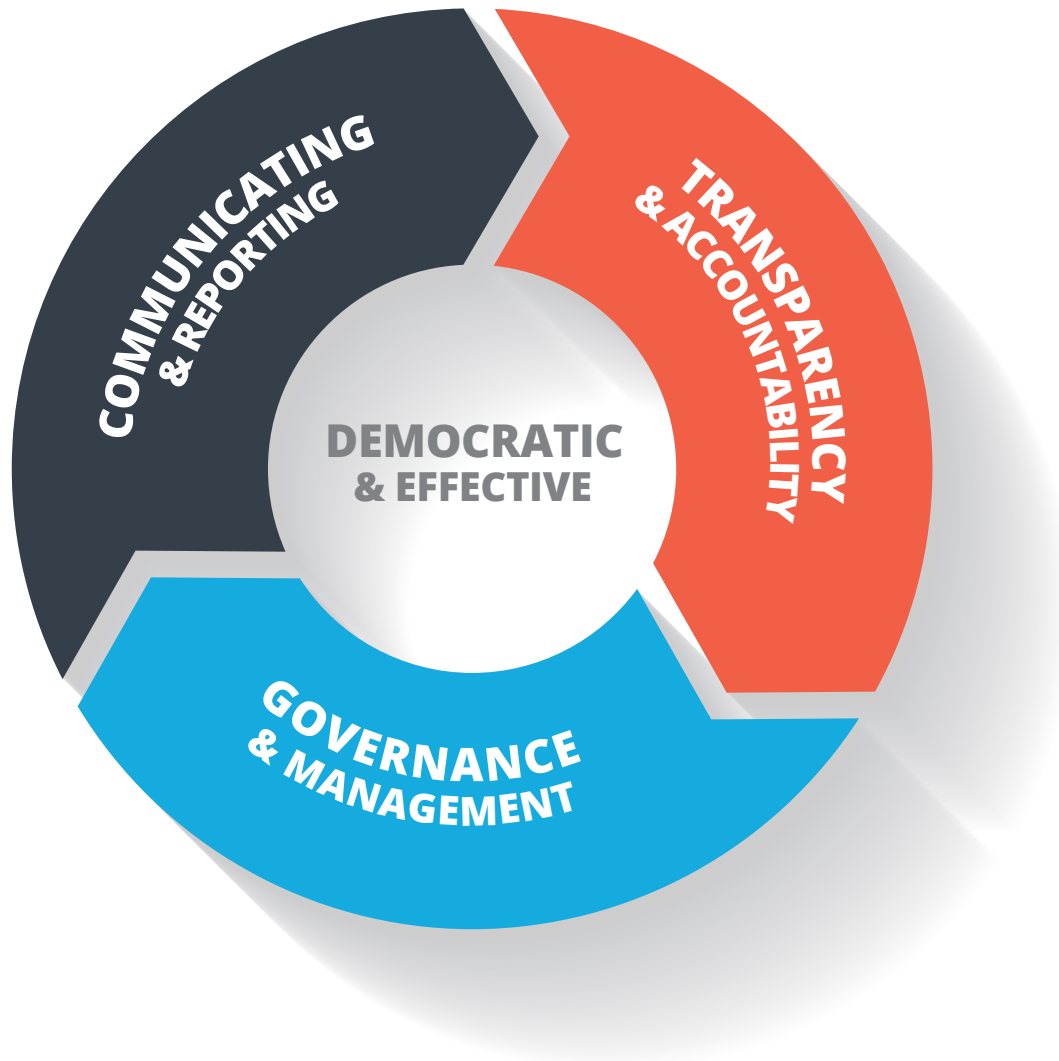
BUSINESS IMPROVEMENT DISTRICT



# GUIDING PRINCIPLES OF A WELL-MANAGED BID

The purpose of this document is to guide developing and established locations on the principles that contribute to operating as a well-managed BID. The principles should be considered ambitious for new BIDs to ensure that they gradually progress to achieving the elements as minimum standards.

The British BIDs Guiding Principles is a voluntary code of conduct that all BIDs should adhere to as a minimum standard of development and operational practice. The principles within this guide are there to help and inspire BIDs to be democratic and effective in all their dealings with their contributors and wider community, to adopt a policy of complete transparency and accountability, to create and maintain representative governance and management and to deliver a successful, two way value exchange and communication.



# DEMOCRATIC & EFFECTIVE

A BID should be developed by local business communities for the benefit of those businesses, whilst benefiting the rest of the community within their respective area. It is established through a ballot of all those that will be required to pay a levy. This ballot follows a thorough research and consultation phase that focuses on the needs and requirements of the potential contributors within that location and, if successful, a BID levy becomes mandatory for a period of up to five years.

A BID invests in its local area by delivering projects and services against an agreed business plan that is designed to provide benefits to those who pay first and foremost whilst contributing to the wider community. As an overarching principle, the BID should be managed professionally and effectively in line with the elements set out in this document.





## TRANSPARENCY & ACCOUNTABILITY

### OBJECTIVE

A BID (or pre-BID) operates as a partnership vehicle accountable to its contributors. As such, it must ensure that all elements of development, management and renewal are open and transparent.

### PRINCIPLES

1. Ensure a full and thorough research and consultation exercise pre-ballot that seeks to engage 100% of potential voters.
2. In terms of the consultation process, seek to achieve a minimum overall response rate of 40% of voters to feed into the formulation of the business plan.
3. In terms of the ballot, seek to maximise the turnout to ensure a fair and democratic process. The minimum target should be 40% turnout and increasing at renewal, however it is recognised that improvements are required to the electoral process in relation to BID regulations.
4. Maintain contact with contributors throughout the term of the BID, with some form of suitable contact at least quarterly.
5. All materials and minutes produced should be made available for inspection by contributors.
6. The BID should hold a meeting open to all contributors at least once per annum.

# GOVERNANCE & MANAGEMENT

## OBJECTIVE

A BID is designed as a locally focused and business-led partnership and should ensure appropriate and representative governance arrangements. It should operate as a separate legal entity with not-for-profit status. The businesses represented through the Board have the responsibility to appoint and manage the BID's resources to ensure professional and effective delivery.

## PRINCIPLES

1. The Board of the BID Company should be representative of those who pay. Consideration should be given to the balance between sector, size, geography and skill set.
2. Alongside the Board there should be appropriate working groups and forums, which ensure a regular dialogue with contributors and other stakeholders.
3. All groups within the governance arrangements should have Terms of Reference detailing their decision making procedures and links back to the main Board.
4. Full and thorough financial procedures should be in place to ensure efficient accounting practices including independently produced end of year accounts and an annual budget setting exercise.
5. A variation procedure should be in place confirming the limits and arrangements for adjusting the theme expenditure allocations year on year.
6. Appropriate procurement procedures should be in place to ensure open and impartial contracting of service providers that achieves best value and delivery.
7. An Operating Agreement should be in place, for the duration of the BID term, that defines the contractual relationship between the BID and the Local Authority in relation to levy collection and enforcement, and overall BID management and delivery. As a minimum, annual meetings should take place between the two parties.
8. A Baseline Agreement must be in place, for the duration of the BID term, that sets out the baseline services to be delivered by the Local Authority within the specific BID area. As a minimum, annual meetings should take place between the two parties.
9. A staffing structure (including both in-house staff and external consultants) with clear line management arrangements must be in place including the provision of a staff handbook, staff contracts and job descriptions and as a minimum, annual appraisal procedures.





# COMMUNICATING & REPORTING

## OBJECTIVE

A BID has a responsibility to communicate with its contributors to ensure there is a two-way exchange of information on the needs of the area and the value and impact of the services delivered.

## PRINCIPLES

1. An annual delivery plan including key performance indicators must be produced based on the needs and aspirations of the area and the businesses within it.
2. Maintaining an accurate contact database is critical for the BID to ensure it operates within the data management and privacy regulations. All BIDs should be registered with the Information Commissioner.
3. All project and service areas should undergo, as a minimum, an annual review and evaluation against agreed KPIs to ensure a clear understanding of return on investment.
4. Annual reporting should be undertaken covering the legally required Billing Leaflet as a minimum.
5. Regular communications with contributors and end users should be undertaken to provide opportunities for feedback and to inform the ongoing needs of delivery for the BID.
6. The BID should manage an accessible website that includes details of the staff team and the Board members along with appropriate contact details.
7. Request that your local authority commits a dedicated web page on their site to the BID showing key dates and information.



British BIDs provides a national overview through inspiring quality and innovation for the BID industry. Through membership, BIDs can access information, knowledge and expertise from the British BIDs resources and via the many forums and networking opportunities.

**These Guiding Principles provide a starting point to establishing a well-managed BID. Beyond this British BIDs publishes and operates:**

- Industry criteria and guidance notes on behalf of many of the contributors to BIDs;
- An annual nationwide BID survey that benchmarks core aspects of BID management and delivery whilst showcasing best practice;
- Five stages of BID development training that equips individuals with the core knowledge required to establish and renew a BID;
- Industry accreditation that supports and scrutinises the quality management systems of BID companies and awards an industry quality mark to successful applicants; and
- A BID Academy that provides an academic-accredited Masters level course on BID Management aimed at professionalising the industry.