

FEBRUARY INSIGHTS by CHRIS TURNER

Much is happening currently in government and local authorities which will impact on Business Improvement Districts. The government's <u>devolution white paper</u> is now being taken forward, with responses from local authorities and many key decisions already being made. We were reminded at our <u>webinar</u> last Tuesday that this White Paper is subtitled Power and Partnership: Foundations for Growth. Essentially, we seem to be looking at top level Strategic Authorities with elected Mayors for the whole country, and below them Unitary Authorities, some new and some continuing. It is proposed that these new unitary authorities have a population of some 500,000 people – substantially more than most current district councils, and mergers, and some very major ones, are most certainly on the cards. There will thus be changes to ballot and billing authorities for many of us. Many BID leaders will have already looked at the devolution white paper and there has been a continuous stream of updates and news on the various local authorities and their changes. Six new strategic authorities: Cumbria; Cheshire and Warrington; Greater Essex; Hampshire and Solent; Norfolk and Suffolk; and Sussex and Brighton have already been <u>agreed</u> and the proposed unitary authorities are being developed at the moment.

Ballots continue to be successful, and it is pleasing to welcome the return of Tweed Valley, Aldgate Connect and Cheapside Business Alliance. Central District Alliance - Farringdon & Clerkenwell and Holborn, Bloomsbury & St Giles, Burnley Town Centre BID have their results out next week.

Many will have many of you will have already picked up that the major national retailers have come together under the chair of Dee Corsi from the New West End BID to establish a new High Street lobby group High Streets UK (HSUK) to address the current challenges. The core objective is to "address common challenges facing flagship high streets, including business rates, public safety and planning." The group, which is coordinated by the longestablished New West End Company (NWEC), the business improvement district for London's West End, brings in business representatives from "flagship cities" including

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London, Birmingham, Bristol, Liverpool, Leeds, Cardiff, Newcastle, and Edinburgh. **Dee Corsi**, chair of HSUK and CEO of NWEC, said: "We know that thriving, flagship high streets can be powerful drivers of economic growth and employment, with the positive halo effects felt across the country. And, with the right policy environment, these destinations can contribute much more than just economic growth; they can be places where communities congregate, business flourish, and international investment flows."

Business rates continue to be a major <u>concern</u> to our levy payers. Business rates are set to rise more than 140% for thousands of high street businesses across the UK in yet another cost pressure for brick-and-mortar businesses. They were cut by 75% in 2022 as high street stores found themselves unable to cope during the pandemic, but this relief is set to fall to 40% in April. Thus, retailers currently benefiting from the relief will see their business rates bills increase in April on average from £3,751 a year to £9,003, and restaurants will see a rise of £5,563 to £13,351 a year, according to Colliers.

The government has made some changes to the **business rates model**, as part of its forward look and has already confirmed the next revaluation due to come into effect on 1st April 2026 based on RVs from 1st April 2024. It is also in its review stage for **Transforming business rates**, in which it promises, over the course of the parliament, to create a fairer business rates system that protects the high-street, supports investment, and is fit for the 21st century. British BIDs are of course submitting a document to the government at the end of March, has already collected much information and feedback from BIDs and levy payers on how business rates are affecting business, and is keen to receive more feedback to give as broad a picture as possible. It is clear that there is a whole range of issues, ranging from the actual multiplier, the issues of business rates relief, and the whole model of how business rates are organized and arranged. There is no clear answer to this, and it seems apparent that the government will be unable to produce a major game changer and therefore despite all our hopes this will continue to be a tinkering around the edges of a fundamentally flawed system. Business rates are becoming the surrogate for a proper local taxation system and the failures of council taxes to move with the huge increase in property values over the last 30 years is a fundamental problem which



the government is unable to address, despite much advice starting to emerge on new banding systems for council taxes from the newly formed <u>All Party Parliamentary Group</u> on Local taxation reform.

On a more mundane but possibly useful note the government has passed legislation on **deposit schemes for returns of bottles** and this will be a blessed relief to many in city centre locations that are trying to resolve glass and bottle littering and collection issues. Retailers across England and Northern Ireland will be obliged to participate in the scheme by charging a deposit on plastic and metal drinks containers, then taking the containers back and refunding the deposit. They are also required to pass the collected containers to the deposit management organisation for recycling. They have stressed that this will be designed to protect small businesses.

Business crime continues to be a fundamental issue facing many BIDs and at British BIDs we work hard with our colleagues in Business Crime Reduction partnerships, the police, and local authorities. We are pleased to announce the first ever National BCRP Awareness Week, which will take place from 17th to 23rd March 2025. As we all know, BCRPs are at the heart of crime prevention, community safety, and partnership working. Sophie Jordan, National Association of Business Crime Partnerships said: "We encourage BCRPs to support the campaign, to illustrate the effectiveness and vast remit of the work they do. BCRPs are at the heart of crime prevention, community safety, and partnership working, helping businesses, local agencies, and law enforcement work together to create safer places to live, work, and socialise." The week will raise awareness of BCRPs and their impact on tackling business crime, including retail crime and the night-time economy, strengthening collaboration between BCRPs, police, local authorities, and businesses, showcasing the importance of the BCRP National Standards, and the new Accreditation model.

Many BIDs have already picked up the story that the **Post Offices** may well be affected as <u>WH Smith sells</u> off its current stock. Post Offices are clearly key place making tools, along with banks, libraries and health centres, and the departure of any post office from our high



streets would be of great concern to most BIDs. The possibility that <u>Tesco's</u> among other supermarkets might bid for some of these spaces is of interest and we will keep abreast of the story as it emerges.

The **Centre for Cities**, always a source of interesting research and data, have done some work on how **big city centres make their regions better off**. Many BIDs are part of this agenda, with locations in both city centres and around the hinterlands of city centres. The data shows two main things. The first is that the big cities generate a large share of total wages earned. For example, Manchester and Liverpool account for almost 50p of every £1 earned by workers in the region. The second is that the large cities' share of wages received by residents is lower than their share of wages earned by jobs in every region. This is because some of these wages are earned by commuters, who take their pay back to towns and villages outside of the city. For example, Birmingham sent out £83 million per week in wages, and Manchester £81 million. That is much smaller than London though: the capital sent out a startling £1 billion per week to the Greater Southeast and beyond.

As ever, these topics on BIDs and their places are discussed in greater detail in our Academy Courses, the Certificate in BID Management and Diploma in BID Leadership. Please feel free to contact myself or Shayni for more information.

Class 1 of the <u>Certificate in BID Marketing</u> begins next week. If you would like to take part, please, <u>get in touch</u>.

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Professor Christopher Turner, Head of Research, British BIDs