
BUSINESS IMPROVEMENT DISTRICTS AND THE 'NEW NORMAL': **THEIR RESPONSE TO THE COVID-19 PANDEMIC OF 2020**

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THE **NEW NORMAL**

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EXECUTIVE SUMMARY

Business Improvement Districts [BIDs], their Boards and their managers have responded with agility during the lock down and no BIDs have yet ceased to operate. BIDs had greater financial resilience than had been thought, BID managers managed cash flows, cost cutting and re-budgeting swiftly, and many BIDs had reserves at the 20% of income that the national levy payers ask for.

The online training programmes set in place during the early part of the lock down were highly effective; short, accessible and affordable online training should continue into the future, for a wider range of BID needs.

Levy payers are still paying their levies, although payments are slower and may be less than budgeted, the relationships between BIDs and many of their levy payers are still strong, and service provision has continued in mission-critical areas such as security, information provision, marketing and social media. The BID industry needs to publicise this widely.

BID managers are already looking to the 'new normal' and recognise that it will be very different across the country...

Many local authorities have provided major levels of support for BIDs, although some have not been as supportive as they might have been. The Scottish government provided support very early, the Ministry of Housing Communities and Local Government (MHCLG) is providing three months operating cost support to English BIDs, and the Welsh Government is mirroring that. A training programme for local authorities on BIDs, their value and how they operate is needed and should be strongly marketed directly to local authorities.

BIDs undertook key tasks once the lock down started: information provision on COVID-19 and how to deal with it; information on the government financial provisions and support packages for business; information for the public; helping businesses to network and help each other; security and support for the

physical space. BIDs used their databases and CRM systems to support their levy payers' information needs; these databases are an increasingly vital tool in BID delivery and more training should take place to make sure they are maximised.

Many BIDs are heavily involved in a wide range of projects on pedestrianisation, signposting, and street layouts; ensuring that the proposals on urban centres and green spaces to help social distancing are properly affected. Alongside this has come work on providing Personal Protective Equipment to levy payers, either at cost or as a free provision. BIDs are heavily involved in Restart Task forces, making use of their access to their local business communities, their contacts and their personal local knowledge. BIDs need to publicise this to their key stakeholders.

The key headline projects of many BIDs: events, attractions, experiences, festivals, can no longer take place because of both budget constraints and social distancing. Yet users are keen to come into towns and cities after the lock down to experience

these very things: going to the cinema, theatre, or hairdressers, or meeting friends for drinks were the most anticipated events. Most people say

they still want the same things, they want to shop locally a little more, to use the internet a little less, to use green and public space a little more, but they want to do so safely. BIDs will need to work with all local stakeholders to ensure this happens.

BID managers are already looking to the 'new normal' and recognise that it will be very different across the country: increased working from home, the reversion to residential, the effect on leisure and tourism, the changing role of service industries and offices, the move toward supporting 'local' during the pandemic, the acceleration of online and the changing types of town and city centres will require new aims and objectives and rethought business plans for many BIDs. Creative thinking will also be needed to address the issues of empty units and the need for increased and accessible green and public spaces.

Good data, evidence and intelligence gathering, and management will be necessary. There will need to be increased training and development to ensure these changes can be put in place swiftly; BIDs may become more differentiated and training and support will need to become more specific for BIDs supporting industrial, seaside, commercial or retail communities as they all start to face very different challenges.

Key to [recovery] will be relationships, but also how resources are pooled to make things happen. ...Taking a more proactive approach would allow for the opportunity to engage with all users and stakeholders of BID areas to co-develop long term collaborative High Street plans.

For city, town and commercial centres to be resilient and adaptable, cooperation and partnerships will be vital. Using the initial agile and local crisis response as a blueprint, combined with the natural entrepreneurial qualities of business, there is the opportunity to create a new culture. A culture of working together to both manage the change but also realise the opportunities for a different type of vibrancy on the High Street. One that would continue to provide jobs, but also support livelihood development, well-being and drive economic development in a sustainable and inclusive way.

Key to this will be relationships, but also how resources are pooled to make things happen. Whilst local councils lack capacity, they still act as the fund holders for almost all significant central funding streams directed towards High Streets. Taking a more proactive approach would allow for the opportunity to engage with all users and stakeholders of BID areas to co-develop long term collaborative High Street plans. This would allow for submissions for investment to be informed by evidence of need and therefore leading to more sustainable outcomes, whilst also drawing on a wider group of people which will inevitably lead to more creative and collaborative ideas which will gather their own momentum. This will also allow for funds from other organisations and sectors to be considered in the round, including that raised through community share issues, giving people more agency in how their High Streets are evolving and would also encourage them to visit their local High Street more.

Whilst the situation is bleak and uncertain in many ways, a proactive response which allows for a partnership to form which fully reflects everyone with a stake in the success of local High Streets and city centres will allow for an imaginative response which will attract investment, drive footfall and enable new ideas to thrive and grow, creating a sustainable economy both now and into the future.

INTRODUCTION

This research project comes at a time of huge social and economic change across the British Isles. The Coronavirus emergency started in the United Kingdom in March 2020 and within a few weeks the death rates had risen dramatically, the Chancellor of the Exchequer had brought in emergency financial support packages and the economy entered a likely period of deep recession.

This recession is predicted to be the deepest for some 300 years¹, the death rates have now reached over 40,000 and the excess death rates are now approaching 60,000².

It seemed clear that the impact of this deep recession would be severe on Business Improvement Districts (BIDs) across the British Isles. There were major concerns that some BIDs might go under, with discussions taking place in some Boards about closure. British BIDs had spent some time in the early part of the pandemic running training courses, question and answer sessions, responding to government requests for data and information and supporting BIDs at an individual level across the countries.

It seemed appropriate therefore that a piece of detailed research was set up to measure how BIDs were responding to this pandemic, how they were planning for their futures and their levels of financial resilience.

This work has therefore been undertaken in order to bring to the industry some key learning elements, some shared experiences and the feeling amongst the BIDs across the country that this has been a shared endeavour. It is also appropriate that the work is made available as the restart happens for many from June 15th onwards.

The work is in three parts:

¹ Bank of England Monetary Policy Report May 2020. 6 May. 2020, <https://www.bankofengland.co.uk/-/media/boe/files/monetary-policy-report/2020/may/monetary-policy-report-may-2020>. Accessed 15 May. 2020.

² Coronavirus (COVID-19) Infection Survey pilot - Office for National Statistics. <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/bulletins/coronaviruscovid19infectionsurveysurvey/28may2020>

SECTION 1

THE CHANGING WORLD

SECTION 2

BIDS AND THEIR RESPONSES

SECTION 3

USERS OF PLACES



AIMS

The overall aim of this piece of work is to allow BIDs and their Boards to see how the industry has responded during the COVID-19 epidemic, allow individual BID managers to learn from the experiences of the industry across the country, visualise and then enable planning for the changed business environment in the 'new normal', and leverage change with local and national government to allow for further development of BIDs, both within their locations and across the UK.

Further aims are:

To highlight areas of risk and opportunity for BIDs, using analysis from reports on trends emerging through the COVID-19 pandemic and examples of good practice

To establish a series of training workshops where BIDs can talk to each other about their experiences, Boards can monitor and measure how well their BIDs have responded during the crisis and ideas and good practice can be shared more widely as the situation continues to unfold.

To ensure that government and local authorities understand fully what BIDs have done in this crisis, what they are planning to do and how resilient they can be in taking forward their plans.

To allow the BID industry to gain comfort over the levels of existing resilience in the sector as grounding for the next stages of stabilisation and recovery.

OBJECTIVES

The key objective will be a piece of work that can provide:

- A set of key outcomes that BIDs have learnt during the pandemic that they can pass on to others
- Content for training programmes that can allow BID managers to learn from the experiences that the industry has been through
- A set of data and information that can be integrated into the Certificate in BID Management (CiBM) and the new Diploma in BID Leadership (DiBL). These two have thus far educated over 100 BID managers across the country and will grow further.
- A piece to be disseminated across the BID industry
- Content that can be presented at the British BIDs annual conference
- Content that can be sent to local and central government as an indicator of the role and performances of BIDs across the country during this crisis,
- The tasks and expertise which BIDs intend to bring to the future development of towns and cities under the new normal



METHODOLOGY

The methodology for this work has been in four parts:

Firstly, an in-depth desk exercise by the NEF Consulting (New Economics Foundation), who studied the perceptions both in the UK and across the world on how the Coronavirus is going to affect society, business and the economy.

Secondly, a sample group was set up comprising 32 BIDs across the British Isles, structured and stratified by region and level of BID levy income and representing 10% of the BID community. For this sample group a survey of their financial statements as lodged at Companies House was made, along with analysis of their size, income levels, term and hereditaments.

Thirdly, an invitation went out to all 328 BIDs across the country, explaining the aims and objectives of the research, and asking for help and assistance in gathering data for the project. 58 responses were received, and five Zoom focus group sessions were set up to explore in an informal but partially structured manner the key issues of the research. There were further follow up conversations.

Finally, a detailed telephone survey of the population of one city in the centre of England to reflect their age and their geographical distribution by postcode. The city of Nottingham was used as this case study of a community; it is a large and vibrant city with a cross section of industries, its population is “normal “ and it has a BID that was interested in making use of the data collected as part of its own strategic planning.

These four data collection processes have allowed a mixture of qualitative and quantitative approaches in the project, and the data are integrated at various places into the text.

SECTION 1

THE CHANGING WORLD

“

If you look at the past 30 years, consumerism has been peaking and the whole infrastructure of retailers has been around who is the biggest, the fastest, the cheapest...

*- Mary Portas
Retail Consultant*

”



KEY TRENDS EMERGING FROM DESK RESEARCH

Given the global nature of the COVID-19 pandemic, each of the impacts on the British High Street has to be seen in the context of our interdependence with political, financial and economic systems across the world, alongside the social interconnectedness between us as human beings on a shared planet.

The international response to the pandemic so far has been marked by different political and cultural variations but also a very distinct similarity - that both the state and local response have been equally important. Every nation has had to make decisions at a central level to try to halt the spread of the virus, put in place measures to protect and guide citizens and step back into the economy to ensure people are able to meet their needs. Alongside, activity at a local level has matched this and brought people together in a shared purpose, with tools we have at our disposal that are far more diverse than they would have been in the past to deal with a crisis of this magnitude.

Whilst much of this is about access to digital networks, transport and advanced health services, it is also about how partnerships between local government, civil society and businesses have evolved to the point where we can now rapidly set up local systems to draw on the strength of each sector. Throughout this crisis stage BIDs and their members will have been part of relief efforts to ensure people received the food, medicine and other essential goods and services they need, working alongside their colleagues, partners and neighbours to make that happen, using various different means.

What this has led to has been a strengthening of bonds and a creativity which quickly developed into thinking more ambitiously and collectively about providing goods and services, safer streetscapes, access to green spaces, uses for civic and community buildings and apps and social media to keep people supported and connected.

Alongside these more tangible activities, the overarching trend has been a fundamental shift in the way that people are thinking about how they live their lives, having had time to reflect and re-evaluate during lock down. They are seeing how unsustainable their work-life balance had become, and they have now been able

to find different ways of meeting their needs when the services and systems they relied on were no longer there, thus accelerating the trend towards digital services. People's familiarity with online tools have created reductions in spending and a general sentiment towards a slower pace of life.

A month into the lock down a YouGov poll³ showed that only 9% of British people wanted life to continue as before, showing that many were seeing the benefit of spending less money, of fresher air, more time in nature and a stronger sense of community. Evidence emerging from Europe where shops have partially reopened is showing a marked reluctance of people to go back to earlier shopping habits with one behavioural insights agency saying the pandemic has shifted consumers' mindsets from a "gain" to "maintain" mentality⁴. Themes of fairness, kindness and the value of social connection are filtering into the mainstream, with stores providing essential services, paying tribute to their staff. Steve Rowe, CEO of M&S reporting in their full year returns in May saying that "the way our people have rallied to support our customers and communities has been awe-inspiring"⁵. Mary Portas, the High Street expert, talks about a deeper sense of a 'kindness economy', asserting that:

"If you look at the past 30 years, consumerism has been peaking and the whole infrastructure of retailers has been around who is the biggest, the fastest, the cheapest. It's all been down to operations rather than an understanding of how people are living...the biggest reason for the decline of the High Street has been that we've changed our value system as people. What we've come to realise as a society is that the tenets of capitalism, that 'more equals better', is not going to be better for us as people or for our planet"⁶.

³ <https://www.thersa.org/about-us/media/2019/brits-see-cleaner-air-stronger-social-bonds-and-changing-food-habits-amid-lockdown>

⁴ <https://www.cnbc.com/2020/04/24/coronavirus-why-germans-arent-shopping-despite-stores-being-open.html>

⁵ <https://corporate.marksandspencer.com/media/press-releases/5e0f046f7880b21924350282/marks-and-spencer-group-plc-full-year-results-for-52-weeks-ended-28-march-2020>

⁶ <https://www.raconteur.net/retail/mary-portas-retail>



KEY TRENDS cont.

Building resilience

Whilst there is no doubt that the impacts of this pandemic and the responses will be felt as profound shifts, it is also clear that these will continue to be felt over a significant period of time, with some more intense than others.

With this in mind, there are two key themes BIDs need to be watchful of.

Firstly and unsurprisingly, given the existing and historically uneven nature of High Street decline across the UK, the fallout will continue to be area and sector specific, **with big hits anticipated to be on leisure and dining, chain retail and other businesses with a reliance on them for footfall**⁷, compounded by a decline in demand for fixed office space, and a growth in more flexible working formats, including shared space, home working and part home/part office routines. This will mark a significant difference for many places as these have been the anchor approaches to High Street renewal that most businesses and institutions have used as a basis for their investment strategies and decision making. From this Knight Frank are predicting *"A trickle of occupier fall-out turning to a flood. These businesses, by their very nature, are highly cash flow dependent. For many, this cash flow has been vastly reduced or turned off completely, leaving many in a precarious financial situation."*⁸

Secondly, **there will be particular spikes of impact based on the timing of the withdrawal of government support**, e.g. the phasing out of the furlough scheme from August⁹ which will be ongoing as there are no current indications of the extension of any of the other existing schemes to support businesses. Additionally, statistics about low levels of payment since March, with both Intu and Landsec only recouping around 40% rents in Q1¹⁰, means that more clarity will emerge by Q4 on the likelihood of shop and unit vacancies, based on levels of rent payments being met in September.

⁷ <https://www.theguardian.com/business/2020/may/12/landsec-cuts-value-of-portfolio-by-12bn-covid-19>

⁸ <https://www.knightfrank.co.uk/research/article/2020-05-04-commercial-insights-retail-the-fall-out-from-lockdown>

⁹ <https://www.gov.uk/government/news/chancellor-extends-furlough-scheme-until-october>

¹⁰ <https://www.retailgazette.co.uk/blog/2020/05/intu-threatens-large-tenants-over-unpaid-rent/>

RETAIL INDUSTRY

There is a multiplicity of reports emerging around the likely scale of empty units and the corresponding impact on the High Street, and this will clearly become a major consideration for BIDs as the situation unfolds. From big retailers threatening to hand in their keys on multiple stores, to those already in administration¹¹, and reports of small businesses struggling to keep afloat¹², it is still too early to predict the extent of the fall out. However, given that both landlords and businesses are under threat it is probable it will be extensive, and many businesses won't reopen their doors, or will try but not be able to maintain their business due to lack of footfall and demand.

Modelling undertaken in April, showed that every major non-food retailer was operating in negative cash flow, with five out of the 34 of these retailers analysed already having negative cash flow at the outbreak of the pandemic, "a possibility even for large, profitable companies that rely on credit and capital markets to fund investment, growth, and shareholder returns"¹³. The research also found that 50% of these retailers would run out of cash in six months if lock down restrictions weren't lifted¹⁴.

For many BIDs and places across the UK the phenomena and associated issues of empty shops are not new ones. Data for March and April vacancy rates remained around 13%¹⁵ with some places more disproportionately affected than others, but reports are starting to point to a far starker situation, compounded by the existing situation.

In May 2020, Knight Frank reported that only around one third of retailers and leisure operators met their Q1 rent obligations in full and on time, with many seeking concessions such as rent holidays (3 or 6 month or indefinite), a partial payment, a switch to monthly payments, or a transition to turnover rents with negotiations continuing. "Of these, most of the food store operators complied completely. Conversely, very few leisure and food and beverage operators paid anything."¹⁶

Post-lock down insights from a multi-national fashion retailer in Germany (via Knight Frank) are that "in their first week of re-opening, sales were down by over -90% on normal levels but have since "recovered" to -75%. The view is that if they can't broadly get to 50% of normal trade levels, it is not viable to open the store." In the same article the authors state that retailers in the UK are expecting sales volumes to be at 30% of normal in the months following reopening and that none of the retailers they interviewed expected a return to 100% anytime in the near future.

"Realistically, few retailers are anticipating a return to "normalised" trading levels until this time next year [May 2021], at the earliest. Even then, Christmas 2021 may be a more realistic barometer."¹⁷

¹¹ <https://www.retailresearch.org/whos-gone-bust-retail.html#bycompany>

¹² <https://www.bbc.co.uk/news/business-52772948>

¹³ <https://www.alvarezandmarsal.com/insights/every-major-non-food-retailer-operating-negative-cashflow>

¹⁴ <https://www.alvarezandmarsal.com/insights/impact-covid-19-uk-retail-industry>

¹⁵ <https://www.localdatacompany.com/blog/vacancy-rates-back-to-2010-levels-as-britains-shop-vacancy-falls-to-13.0-in-march-2015>

¹⁶ <https://www.knightfrank.co.uk/research/article/2020-05-04-commercial-insights-retail-the-fall-out-from-lockdown>

¹⁷ <https://www.knightfrank.co.uk/research/article/2020-05-15-looking-beyond-the-retail-lockdown>

HOSPITALITY AND THE CREATIVE INDUSTRIES

Whilst there is still great uncertainty about trading levels and longevity of the retail sector, some stores such as clothes, toy, book and furniture shops can reopen in mid-June, with adherence to strict social distancing rules. However, the future for the hospitality and creative industry sector is even more uncertain with businesses such as hotels, restaurants, cafés, museums, theatres and cinemas expected to stay shut until July 4 at the earliest, and in some cases possibly much later - with the potential for partial reopenings.

The government has set up five task forces - including pubs and restaurants, non-essential shops and recreation and leisure - to discuss how the various types of business slated to reopen from July will need to adapt to work safely, as part of the 5 stage plan to lift the lock down. At this stage the government view is that such businesses and areas should reopen as soon as possible "when the scientific advice provided allows us to", but that their settings provide particular difficulties with distancing and hygiene¹⁸. This is further complicated by the differing approaches of the devolved nations which BIDs will need to be cognisant of in the coming months.

This uncertainty is also a result of the way hospitality and creative industry businesses operate, which by their very nature are social and involve higher levels of human interaction. And whilst other countries are reopening their hotels, they are being restricted to 60% capacity and are expected to adhere to strict guidelines, with evidence from Germany predicting that huge losses in income are likely as a result of the Coronavirus restrictions, with a survey by the Bavarian hotelier association Dehoga Bayern showing that hotel owners expecting a 57% drop in revenue in 2020¹⁹.

This is compounded by evidence that **more than half of British people can't imagine going on their next holiday before 2021**.

There is also the question of why people choose particular places for their holidays and short breaks. Whilst it may be that people will feel safer visiting parts of the country with open space such as the Lake District or the Highlands, this is likely to be met with a cautious response by local authorities and tourism bodies who were asking people to definitively not visit their areas during lock down²⁰.

For cities, given that the whole cultural sector of music venues, cinemas, and theatres are unlikely to re-open for a sustained period of time, there is the very real situation that people will just not want to take the risk, with one recent survey saying that the only thing most British would do as soon as it's allowed again is visiting family and more than 60% would rather wait longer before they go to the movies (67%), museums (64%) or concerts (64%)²¹.

Compounding this is the threat to restaurants and cafés, even as they are considered for reopening. A recent survey of Square Meal members found that "74% are not confident they would survive if they had to adhere to social distancing and that operators cautioned that measures designed to stall the spread of Coronavirus could pose an existential threat to their businesses²²."

This is beginning to play out around the world as restaurants are being given permission to reopen but finding it unviable whilst having to operate at the levels of capacity social distancing will allow. As a restaurateur in the US recently put it "If you talk to restaurants across the globe, the language might change, but the math is the same. Restaurants and bars need volume and traffic to make them work²³."

There is talk in the industry of a hollowing out of the middle of the market, predicting huge multinational fast food to survive, small chains and financialised mid-market restaurants to fail in huge proportions and small and unusual independents to pop back up²⁴.

¹⁸ <https://www.theguardian.com/world/2020/may/17/cafes-in-england-could-sell-food-and-drink-from-street-stalls>

¹⁹ <https://www.dw.com/en/hotels-in-germany-gradually-get-back-to-business/a-53563377>

²⁰ <https://www.independent.co.uk/travel/news-and-advice/coronavirus-latest-visit-cornwall-tells-tourists-stay-away-a9415471.html>

²¹ <https://tinyurl.com/yb26fc4e>

²² https://www.squaremeal.co.uk/restaurants/news/restaurant-deliveries-offering-mixed-picture-during-lockdown_9753

²³ <https://edition.cnn.com/2020/05/17/business/restaurant-coronavirus-business-model/index.html>

²⁴ <https://www.ft.com/content/85cff7fe-b710-4047-b11b-9c36f5e70f01>

HOSPITALITY AND THE CREATIVE INDUSTRIES cont.

Already a shift in model is occurring, by necessity to get around lock down restrictions. Cafés are retooling as grocery stores and more chains expected to start selling food or products to go. Pret is expected to launch a coffee range in supermarkets later in 2020²⁵, Côte Brasserie started selling ready meals in April 2020²⁶, and Leon reopened 57 locations as mini supermarkets in March 2020²⁷.

But this ingenuity is also happening faster in small independents where their operating model and more local, loyal customer base suits itself to successfully reorientating around deliveries than the bigger chains²⁸. Insight from one food writer is given from the 'restaurant renaissance' of New Orleans where a "New Southern Food Movement" has emerged post-Katrina, a widespread celebration of US Southern cuisine which is diverse

and hyper-regional, "attributes that are aligned with national food movements calling for more locally-grown and seasonally-appropriate food²⁹."

Whilst businesses with a food offer may have been able to flex their business model to adapt, this is not the case for the pub trade, which has had to completely close down and is not expected to be allowed to reopen before Autumn at the least. A survey of members predicts that 4 in 10 pubs won't survive beyond September³⁰ without extra support from the government, which would mean a loss of 19,000 pubs in the UK, in an industry which has already seen a significant decline in recent years. The British Beer and Pubs Association have also said that a 2-metre distancing rule would mean that only one in five pubs could reopen³¹.

WHAT MIGHT THE FUTURE HOLD?

Whilst government support recedes for salaries and other associated overheads, and the risk of decline in custom and footfall become clearer, the cost of rents will continue to play a crucial role. As an often-high percentage of the fixed costs of running a business, relationships between landlords and tenants will also be key to survival rates. Those with landlords that recognise their interdependency with their tenants and are entering into agreements to offer rent holidays or deferred payments (some by taking mortgage holidays of their own) stand a far better chance of survival. Whilst there is no data on the situation with smaller landlords, warning signs are on the horizon for several of the bigger landlords, including Intu³² and Hammerson³³ who are both seeking debt restructuring as a result of the crisis and are showing no signs of being able or willing to negotiate on rents.

All of this information indicates that there will be dramatic changes to the nature of High Streets and city centres which BIDs need to be prepared and ready for to ensure our towns and cities remain places where people come to live, work, rest and play. But what it also indicates is that there are emerging positive trends which can be drawn from and built upon.

²⁵ <https://www.standard.co.uk/business/pret-a-manger-to-start-selling-retail-coffee-range-on-amazon-a4436711.html>

²⁶ <https://www.bighospitality.co.uk/Article/2020/04/07/Cote-at-Home-delivery-service-launched>

²⁷ <https://www.delish.com/uk/food-news/a31804241/leon-restaurants-mini-supermarkets-coronavirus/>

²⁸ https://www.squaremeal.co.uk/restaurants/news/restaurant-deliveries-offering-mixed-picture-during-lockdown_9753

²⁹ <https://blogs.lse.ac.uk/usappblog/2019/12/09/new-orleans-evolving-food-scene-is-a-window-into-the-citys-post-katrina-recovery/>

³⁰ <https://www.theguardian.com/business/2020/may/07/pubs-struggling-through-coronavirus-crisis-ask-for-extra-support>

³¹ <https://www.theguardian.com/business/2020/may/22/more-than-30000-pubs-and-restaurants-could-stay-shut-after-lockdown-coronavirus>

³² <https://www.theguardian.com/business/2020/mar/26/coronavirus-intu-warns-of-breach-in-debt-commitments-as-retail-rents-collapse>

³³ <https://www.thisismoney.co.uk/money/markets/article-8303795/Hedge-funds-bet-500m-cash-call-Hammerson.html>

CHANGING USE OF SPACE

Back in October 2019, Savills were predicting the right-sizing of retail portfolios and demand, flagging that 'an estimated 28.5% of fashion sales in Western Europe will be online by 2023, an 87% growth on current levels (including clothing & footwear)³⁴. This report outlined the trend that for 'retailers who are shrinking portfolios a renewed focus is on strategic and/or strong convenient locations'.

A good example of how this is playing out in the current context is the recently launched M&S "never the same again" strategy to accelerate their existing transformation plan to close stores, increase their online presence and new partnership with Ocado, with a focus in store and online on food and the two thirds of the retail side which is less seasonal year-round essential products³⁵.

Combined with this are strong noises coming from the big landlords that they are accelerating projects to repurpose, such as LandSec who have drawn up their strategy with JLL stating that "With social value at its heart, the reimagining of empty retail units can support the improvement of core community measures such as community cohesion, safety and employment³⁶."

In this document they highlight several international case studies, including Ponce City Market³⁷, a 2014 scheme which reinvented the iconic Sears, Roebuck and Company building in Atlanta, incorporating residential, a central community food hall, pedestrian walkways and public green spaces alongside workspace.

These bigger players are not alone in reimagining how buildings might be repurposed as needs and uses change over time. Whilst Urban Splash might be the best known and biggest player in the field of regenerating iconic buildings there are thousands of small businesses across the UK who move into empty or redundant buildings, which offer affordable space to 'try out' ideas and test their business model, often restoring them as they do so.

Many of these are broadly known as heritage buildings with a whole industry of support around them, and dedicated funding streams coming through the National Lottery Heritage Fund and central government. Whilst these buildings can often be complicated and costly to restore there is a growing movement of support for their revival, both from a practical and social point of view but also a sustainability point of view as interest grows in the economic and environmental benefits for retrofitting existing buildings rather than building anew. The Architect's Journal #retrofirst campaign is a good example of this and is supported by names such as Hoare Lea and British Land³⁸.

As part of this Civic Societies are increasingly getting involved in conversations about alternative use of seemingly redundant and empty spaces with the Bradford Society recently publishing a report with a recommendation to "Use empty retail spaces and first and second floors to encourage independent shops and businesses and to incubate a recycle, repair and regenerate artisanal industry. This should help create a healthy mix of well-designed work/live spaces³⁹."

Savills Re:imagining retail experts offer the insight that "High Streets are perceived to require a significant reduction in retail space but expectations are that this is much less likely to happen due to fragmented ownership and lack of funding options"⁴⁰. This feels like a golden opportunity for BIDs to work in partnership to proactively convene local stakeholders to think boldly and imaginatively.

³⁴ https://www.savills.co.uk/research_articles/229130/290755-0

³⁵ <https://corporate.marksandspencer.com/media/press-releases/5e0f046f7880b21924350282/marks-and-spencer-group-plc-update-on-trading-and-impact-of-covid-19>

³⁶ https://landsec.com/sites/default/files/2020-02/Landsec_Re-imagining%20empty_Retail_space.pdf

³⁷ <https://poncecitymarket.com/our-story/>

³⁸ <https://www.architectsjournal.co.uk/news/more-top-industry-names-get-behind-retrofirst-campaign/10046432.article?blocktitle=more-on-retrofirst&contentID=24767>

³⁹ <http://bradfordcivicsociety.co.uk/place-panel/place-panel-report-city-centre-improvement-works/>

⁴⁰ <https://www.savills.co.uk/insight-and-opinion/savills-news/289941/savills-reveals-three-quarters-of-retail-landlords-are-considering-repurposing-projects>

ROLE OF ANCHORS

Traditionally the use of the concept of 'anchor' in regeneration terms - has been the business or service that can act as a driver of footfall to or through, a High Street or shopping centre. Having an anchor store at each end of a shopping centre or mall is proven good practice and one that is common across the world. However more recently in the US a broader economic definition has been used, to encompass anchors of all shapes and sizes. They can be public sector bodies, universities, public libraries, hospitals, performance arts facilities, religious institutions, utility companies, medical centres, museums, and sports teams⁴¹. These anchors not only play a physical role but also an institutional role, acting as stewards of resources and providing leadership in shaping local economies.

Throughout the pandemic, the physical role of anchors has been brought into focus, either in discussions about how to get them opened up again; safely but swiftly, or as places where people have been able to go for support and advice, medical care or essential items like food. These buildings, including churches, GP surgeries, markets, convenience stores and community centres have had to operate using strict social distancing and hygiene measures and rely on creativity and ingenuity to operate in ways that keep visitors and staff/volunteers safe.

As guidance on what is essential evolves to take account of people's need to earn a living but also meet their wider needs for activity which positively impacts on well-being and mental and physical health...

As High Streets start to open up again the role these civic and community buildings, businesses and organisations have played and the way they have managed their operations, will be crucial to building trust with locals and visitors and form the bedrock of planning for the gradual reopening of other anchors like museums and libraries, and of shops, cafés and offices.

As guidance on what is essential evolves to take account of people's need to earn a living but also meet their wider needs

for activity which positively impacts on well-being and mental and physical health, the role of anchor buildings and spaces will become a key part of international, national and local conversations. However as local partners work together to understand how these anchors can play a role in providing a diverse and distinctive offer, whilst creating an atmosphere of safety and welcome, the organisations and businesses will also act as anchors to provide investment and positive leadership for the future with BIDs playing a key role in that.

"The biggest priorities of landlords improving their retail spaces is with an enhanced leisure offer, the second is improving public realm, the third urban living and the fourth, shared workspace. It is no surprise that markets, food halls and entrepreneurial spaces feature heavily in master plans. All of these uses point to better social cohesion, more loyalty and a more invigorated consumer experience. Or, to put it another way, community is the new anchor⁴²".

⁴¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/414390/Anchor_institutions_and_small_firms.pdf

⁴² https://www.revocommunity.org/private_documents/re-imagining_retail_-_savills_research

Changing mix of providers and sectors

Research undertaken in Sept 2019 showed that 75% of retail landlords (from a sample) were considering undertaking a repurposing project on their retail space in the foreseeable future. “Savills data shows that the first priority for retail landlords is to look at enhancing and repositioning the retail and leisure offer to create a modernised, differentiated and exciting tenant and use mix. However, if that option has been exhausted, or if the amount of retail space needs to be reduced, residential is the second most likely option (85%) closely followed by health and community (80%)”⁴³.

The Local Data Company [LDC] data reveals that the independent and small business sector has been growing steadily over the past few years and that the independent retail space has proved more resilient than chain retailing. “With independents currently representing 64% of the total UK retail landscape, the impact on this corner of the sector will be hugely influential to the overall health of our High Streets.”⁴⁴ Additionally the saturation of the casual dining market by mid-level chains has led people to seek out a growing market of independent restaurants and cafés with these making up 70% of all new food and beverage (F&B) openings in Glasgow in 2019 for example⁴⁵.

Alongside the growth of independent small business has been the nascent but strengthening growth of the community business presence in the sector, with not-for-profit enterprises starting to emerge as part of the mix. Emerging directly from a particular need in the area, these businesses are as diverse as laundrettes, co-working spaces, bakeries and bike shops. Such businesses often work together in what the recently launched Liverpool City Region Kindred Programme⁴⁶ define as Socially Trading Organisations, companies that set out to deliver social benefits and trade commercially and include community and family businesses, social enterprises and limited companies that demonstrate their social purpose through their business behaviours.

Research undertaken by the Federation of Small Businesses [FSB] into how small firms are navigating the COVID-19 crisis found that “Small businesses in towns, cities and rural areas have been innovating and reinventing themselves in order to survive as well as helping their communities” and have been on the front line of local responses “carrying out key community roles during the crisis (57%), prioritising and supporting vulnerable customers (30%), donating provisions to local food banks (24%), supporting to key workers (23%) and home deliveries to vulnerable customers free of charge (19%) as well as signing up to be NHS volunteers (9%)”⁴⁷. As a result of this the FSB are calling on the government to:

“Support local businesses through the Business Improvement Districts (BIDs) to help smaller businesses to bounce back by delivering services and selling goods locally”.

Whilst the extent of the financial challenges of COVID-19 on this sector are as yet unknown, their agility and the move to more ethical and localised shopping could well continue to boost their presence on the High Street.

⁴³ <https://www.savills.co.uk/insight-and-opinion/savills-news/289941-0>

⁴⁴ <https://retailtechnnovationhub.com/home/2020/5/8/uk-retail-space-is-pretty-vacant-as-coronavirus-bites>

⁴⁵ <https://www.savills.co.uk/blog/article/296792/commercial-property/glasgow-s-independent-restaurant-scene-is-thriving.aspx>

⁴⁶ <https://www.liverpoolcityregion-ca.gov.uk/metro-mayor-announces-tailored-business-support-for-socially-trading-organisations/>

⁴⁷ <https://www.fsb.org.uk/resource-report/new-horizons.html>

ONLINE TRADING SINCE LOCK DOWN

New data on IMRG⁴⁸ suggests that UK online retail sales rose by 22% in the first week of April compared to the same time last year. This rise was chiefly down to a select few categories such as beauty, electricals, home and garden and alcohol. Data is showing that one-third of consumers have switched to purchasing products online that they would have previously (and exclusively) purchased in-store. Industry experts are “expecting this behaviour to broadly continue even into a period of economic recovery as consumers overcome the initial friction of setting up online accounts and begin to form new habits” with the same report saying that “the survivors will benefit from strong trust in their brands, underpinned by fewer experiential stores that drive customer engagement and multi-channel sales”⁴⁹.

In a phenomenon coined in the US as the ‘halo effect’, research by the ICSC found that where a brand opened a new store there was, on average, a 37% increase in traffic to their website within the store catchment. The opposite was the case where retailers closed stores⁵⁰. A follow up report to this focused on ‘omnichannel’ shoppers and found that these ‘cross channel’ consumers were likely to spend 70% more than those who only shopped offline⁵¹. All of this points to fewer stores altogether but those that remain cultivating a personalised service appeal for customers.

Some small businesses will have begun to use online for the first time to supplement their face to face offer, whilst others will have set up online businesses during the lock down, based on the need to diversify to earn an income, like selling handmade goods or developing online courses of their existing skills. Whilst the data in this will emerge it is something for BIDs to be mindful of as we slowly emerge out of lock down and those that have been successful might be looking for small premises or other outlets like street and indoor markets to widen their customer base.



A follow up report to [the 'halo effect'] focused on 'omnichannel' shoppers and found that these 'cross channel' **consumers were likely to spend 70% more than those who only shopped offline**

⁴⁸ <https://internetretailing.net/covid-19/covid-19/coronavirus-round-up-next-boots-debenhams-imrg-naked-wines-john-lewis-partnership-ons-and-more-21238>

⁴⁹ <https://www.alvarezandmarsal.com/insights/every-major-non-food-retailer-operating-negative-cashflow>

⁵⁰ <https://www.icsc.com/thehaloeffectii>

⁵¹ <https://www.mckinsey.com/industries/retail/our-insights/ready-to-where-getting-sharp-on-apparel-omnichannel-excellence>

FOOTFALL, ACCESSIBILITY AND SAFETY

There is much argument currently on quarantine rules that have just come into place for the UK, with visitors required to provide a reason for travel and an address before being allowed into the country. This is likely to have a great impact on the visitor economy with those businesses that rely on tourism being the hardest hit. Currently the World Travel and Tourism Council are estimating that, “once the outbreak is under control, it would take up to 10 months for the tourism sector to return to its normal levels”. However, the term ‘under control’ is open to interpretation and destination-specific⁵².

This is not the only risk to footfall, as Universities and Colleges are showing signs that they will move classes online for the 20-21 academic year with Cambridge already making that move. This is reflected in the US and Europe where decisions about schools taking precedence given the relative success of online teaching at a tertiary level⁵³. Whilst Cambridge are saying they will require their students to still be resident, it remains to be seen whether students are willing to do that.

Enforced home working for office-based staff is viewed by many as a natural acceleration of distributed work patterns. Whilst many businesses will be looking to return to some kind of office base, it is likely that there will be reduced demand for space, given that many employers will have invested in the equipment staff need to work from home safely, such as desks, chairs and laptops⁵⁴. Whilst this indicates a rise in demand for co-working, shared workspace and smaller offices it also suggests fewer office workers shopping in their lunch hours and eating out or buying food.

Over the coming months BIDs will increasingly need to look to people who live closer to their areas for footfall. There are signs that people are currently using their local High Street more, for goods and services but also exercise. Therefore, the creation of safe and welcoming spaces will be critical to maximising the benefit of the footfall that exists and attracting more people as the public safety measures ease.

CREATING WELCOMING SPACES

MEASURES THAT WOULD ENCOURAGE VISITS TO NON-FOOD SHOPS

Enforcing the wearing of face masks for customers	24%
Enforcing the wearing of face masks for employees	30%
Only allowing 1 shopper at a time	31%
Not allowing customers to touch products (or try on clothes)	34%
Being able to pre-order online, spending less time in the shop	41%
Having personnel that ensures social distancing	43%
Having access to hand sanitisers	53%
Having social distancing markers (e.g. at cash desks)	57%

⁵² <https://www.weforum.org/agenda/2020/03/world-travel-coronavirus-covid19-jobs-pandemic-tourism-aviation/>

⁵³ <https://www.telegraph.co.uk/education-and-careers/2020/05/31/when-uk-universities-reopen-online-lectures/>

⁵⁴ <https://www.theguardian.com/technology/2020/mar/13/covid-19-could-cause-permanent-shift-towards-home-working>

CREATING WELCOMING SPACES cont.

There is no doubt that a key issue is how social distancing and virus protection measures, which are likely to remain in place for quite some time, are executed in a way that keeps people safe on the High Street but also allows them to feel welcomed and as relaxed as possible so they are able to enjoy what should be a fulfilling experience. Two distinct approaches to this are emerging which BIDs can choose to make decisions based upon.

Government guidance on design principles for urban centres and green spaces was issued in April 2020 and contains clear advice based on the available information about how the virus spreads and the need for protection. Whilst this is likely to shift as the situation evolves, the featured five principles are unlikely to change as the framework for the advice. These are social distancing, protecting people who are at higher risk, face coverings, cleaning and hygiene (handwashing). The guidance is very useful, covering as it does advice on how to identify and manage risk and some practical suggestions of solutions, including an appendix with some existing examples.

This is clearly very needed as the primary concern of anyone choosing whether or not to come back to the High Street will be around safety, their own and other people's. It is also important that there is clear signage from a practical and accessibility point of view and it is welcome to see that many businesses, such as signwriters, who are able to use this opportunity to repurpose their business offer when demand for other products may well have declined. However, this alone will lead to spaces which feel inhospitable, thereby having the reverse effect of the intention and purpose of the guidance.

Happily, there is an emerging set of evidence and practical examples that point to creative responses to the need for social distancing and virus protection measures which enable these more utilitarian approaches to be supplemented with a more human and welcoming reflection of how we might act collectively to keep each other safe. This is in line with the National Police Chief's Guidance issued at the start of the lock down which was underpinned by four principles - engage, explain, encourage and finally enforce, and informed by Robert Peel's 9 Principles of 'policing by consent'.

In Italy the Municipality of Milan is including a creative consultation as part of plans to reopen commercial and public spaces, asking architects and designers to help with designing means of social distancing. Similarly guidance issued by Smart City Media in the UK on practical solutions to support place recovery plans outlines the type of interventions for 'street dressing' which draw upon the spontaneous acts of creativity that have developed under lock down which can be used to inform more welcoming and inviting civic and privately owned space. Initiatives such as bunting and cross street banners, catenary structures and the use of windows and building walls should be seen as opportunities for creative responses which can carry public health messages and marketing for High Streets.

These also offer opportunities for the use of a range of materials such as semi-permanent chalk, window paint, ribbons, rope etc. which, importantly, involve local people in the making of these, drawing on the creativity of people's responses during the lock down, in a way that builds community around High Streets, generating more of a willingness to return as a stakeholder as well as a consumer.

OUTDOOR GREEN AND PUBLIC SPACE

In cities across the world there is a growing momentum of administrations using the opportunity afforded by restrictions on travel to create long term and fundamental changes to transport infrastructure. Mayors from cities in Europe, the US and Africa have formed task groups, principally around coordinating efforts for a low-carbon, sustainable recovery. As part of this many cities have already announced measures, from hundreds of miles of new bike lanes in Milan and Mexico City, to widening pavements and pedestrianising neighbourhoods in New York and Seattle and car free zones in Central London⁵⁵.

Whilst this is still nascent in other UK cities and towns it is likely to become a growing trend as other places follow suit, with an extra boost in England through the emergency active travel funding allocation to local authorities from the DfT with the first tranche released to support the installation of temporary projects for the COVID-19 pandemic, such as barriers and planters⁵⁶.

This use of planters also plays to the growing debate about access to green space, in response to the need for people to exercise in nature during the pandemic, conversations about its wider benefits for well-being, not just now but into the future are likely to feature prominently in recovery planning⁵⁷. Developers are increasingly seeing the benefits of incorporating outdoor green space into plans⁵⁸ and new offices are being created making use of biophilic design⁵⁹ which increases human connectivity to the natural environment through the incorporation of indoor plants and other vegetation.

BIDs are of course no strangers to creating welcoming spaces through increased planting, floral displays and attractive street furniture, which is a strength to be played and built upon. Innovative schemes such as the City of Brussels⁶⁰ project to fund and give advice to residents who wish to set up pocket parks in their local area, or the Postcode Gardener idea, part of the 10x Greener campaign⁶¹ to make UK towns and cities greener, which also includes guidance on establishing parklets and window boxes, could be explored.

If these could be coupled with innovations such as Incredible Edible, begun in 2007 in the North of England and now an international movement⁶² which advocates the growing of fruit and vegetables in urban areas. Coupled with innovative but simple ideas such as NYC's Bryant Park moveable chairs⁶³ to WiFi pillars and benches with charging stations⁶⁴ there is no lack of opportunities out there to create useful and beautiful places for people to be amongst one another and socialise whilst staying safe.

⁵⁵ <https://www.theguardian.com/environment/2020/may/01/city-leaders-aim-to-shape-green-recovery-from-coronavirus-crisis>

⁵⁶ <https://www.gov.uk/government/news/2-billion-package-to-create-new-era-for-cycling-and-walking>

⁵⁷ <https://www.sei.org/perspectives/covid19-value-of-green-space-in-cities/>

⁵⁸ <https://www.commercialrealestate.com.au/news/green-spaces-produce-healthy-workers-834064/>

⁵⁹ <https://biofilico.com/biophilic-design>

⁶⁰ <https://vegetalisons.bruxelles.be/bibliotheque-verte/comment-vegetaliser>

⁶¹ <https://friendsoftheearth.uk/nature/10x-greener-towns-and-cities>

⁶² <https://www.incredible-edible-todmorden.co.uk/>

⁶³ <https://gothamist.com/arts-entertainment/how-bryant-parks-iconic-chairs-revolutionized-public-spaces>

⁶⁴ <https://www.washingtonpost.com/news/innovations/wp/2014/12/03/three-brilliant-ideas-for-giving-aging-urban-streetscapes-a-modern-facelift/>

A NEW LEVEL OF PARTNERSHIP WORKING

It is clear that city, town and commercial centre resilience and adaptability, both during this crisis and beyond, will depend more than ever on cooperation and partnerships. Using the initial agile and local crisis response as a blueprint, combined with the natural entrepreneurial qualities of business, there is the opportunity to create a new culture of working together to both manage the change but also realise the opportunities for a different type of vibrancy on High Streets which continues to provide jobs but also supports livelihood development, well-being and drives economic development in a sustainable and inclusive way.

Key to this will be relationships but also how resources are pooled to make things happen. Whilst local councils lack capacity, they still act as the fund holders for almost all significant central funding streams directed towards High Streets, as the accountable public body. The more recently urgent nature of much of this funding, for example the emergency government Coronavirus funding streams and competitive nature of programmes like the Future High Streets Fund, Heritage Action Zone monies, Town and City Growth Deals and potential other streams such as the Shared Prosperity Funds, point to the need for a more proactive Community Improvement District type approach⁶⁵ which would allow for the opportunity to meaningfully engage with all users and stakeholders of BID areas, to co-develop long term collaborative High Street plans. This would allow for submissions for investment to be informed by evidence of need and therefore leading to more sustainable outcomes, whilst also drawing on a wider group of people, leading to more creative and collaborative ideas which will gather their own momentum.

What this will also allow is for funds from other organisations and sectors to be considered in the round, including that raised through community share issues - like the one in Plymouth that raised over £200,000 for Nudge Community Builders to buy and repurpose an empty pub into a market for local makers, a communal events space and two affordable flats for single parents with shared care of their children⁶⁶. Community shares are a form of share capital unique to co-operative legislation which can give members a return and are based on a one member - one vote system.

This idea of shared fundraising for a particular reward, whether a financial return or something more tangible, has seen a huge rise in use during this crisis, as people have wished to support their favourite local business stay afloat despite being closed. Specialist platforms enable people to 'pay it forward' at their favourite store or café⁶⁷. In the future it will be possible to look more at models to get these initiatives off the ground, as there are still people with disposable income that they have not been able to spend, and there is an improved sense of community since the crisis hit. This is giving people more agency in how their High Streets are evolving and would also encourage them to visit their local High Street more. Pooling all of these funds, with those raised through the levy and any other funding directed at BIDs from central government can bring about such change.

To underpin this approach, good use of data is key. Whilst the FSB are calling for "local authorities to publish contact details or create an accessible database of local market traders and small businesses if they are available to deliver or sell locally", other councils are taking approaches to pre-empt their High Streets becoming ghost towns, like the Westminster City Council vacant possession tracker.

⁶⁵ <https://alternativcamden.com/Community-Improvement-District-BID-3-0>

⁶⁶ <https://nudge.community/portfolio/nudge4theclipper/>

⁶⁷ <https://www.crowdfunder.co.uk/pay-it-forward>

A CONCLUSION

TO A CHANGING WORLD

Whilst the situation is bleak and uncertain in many ways, a proactive response which allows for a partnership to form which fully reflects everyone who has a stake in the success of local High Streets and city centres will allow for an imaginative response which will attract investment, drive footfall and enable new ideas to thrive and grow, creating a sustainable economy both now and into the future.





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SECTION 2

BIDs AND THEIR RESPONSES

This section of the report looks at Business Improvement Districts [BIDs] in some detail; it looks at the tasks they undertook as part of the lock down and then the restart; their financial resilience; and the thoughts they have for the future.

There are currently 328 BIDs in the British Isles, speaking for and supporting 131,749 business hereditaments, operating in a variety of different types and sizes, and contributing £129,189,397 into their local economies.



BID TYPE	NUMBERS	NO OF HEREDITAMENTS	TOTAL LEVY INCOME
Area BID	2	1667	£778,000
Business Park	7	2075	£2,143,719
City Centre	15	9941	£10,195,623
Commercial	5	2096	£7,467,564
Destination	2	1354	£1,570,482
Digital BID	1	386	£70,000
Food & Drink	1	35	£18,500
Industrial	20	3624	£2,609,716
Industrial Park	5	784	£550,797
Leisure	2	171	£1,821,743
Mixed Area	13	3731	£11,841,659
Property Owner	4	268	£3,219,779
Retail & Leisure	3	1633	£5,214,340
Retail & Tourism	1	245	£107,000
Tourism	7	3174	£2,270,770
Town Centre	238	99809	£78,691,445
Town Centre/ Tourism	2	756	£618,260
Totals	328	131749	£129,189,397

It is the size of this economic contribution that meant when the COVID-19 lock down took place on March 23 there were concerns as to the long-term viability of the BID model in general and the resilience of particular BIDs. It was agreed that a section in this report looking at how BIDs were handling the pandemic, how their finances were coping and how they were looking to the future, was essential.

FOCUS GROUP INTERVIEWS

Thus 312 BIDs in the British Isles with contact details were asked if they could help; 57 BIDs responded to a request for in-depth focus group interviews, and five focus groups were set up, with a total of 44 participating BIDs in the first two weeks in May. These BIDs were an appropriate cross section of large cities, small towns, suburbs, seaside towns, and with a range of BID terms. This was followed up by further telephone calls and zoom interviews with a further half-dozen BIDs.

These focus groups ranged widely in their discussions but focussed on three key themes: the tasks that BIDs were doing currently whilst in lock down, tasks they thought they would be doing in the future in the new normal, and their thoughts on their own financial resilience.

FINANCIAL RESILIENCE

Furlough

The majority of BIDs had furloughed some of their staff, and it has been a crucial factor in the short-term planning of BIDs. It has also of course allowed BIDs to be able to advise their own levy payers on processes and procedures.

It was clear, anecdotally, that a few BIDs had furloughed all of their staff, including the Manager, and the BID was being run by the Chair. It was not easy to identify these BIDs, but email checks, feedback and analysis of websites was that 1-2%, possibly some 5-6 BIDs, were not operational. Many others had closed their offices but were providing key services by way of their websites, newsletters, telephones and emails.

Re-budgeting

All the BIDs in the focus groups had gone through a re-budgeting exercise as part of their cash flow management. Most had removed all of their events and much of their marketing from their budgets, and they were focussing on supporting levy payers by way of information, advice and guidance, ensuring that grant monies were accessible and planning for the restart later in the year.

Cash flow

All of the BIDs had spent much time on detailed cash flow planning with their Boards. BIDs have traditionally not had to concern themselves much over cash flow for most of their financial year, with levy income being passed down from the local authority on a regular basis, and sensible budgeting being all that is required.

This crisis brought about a need for very close week by week cash flow forecasts; all of the BIDs in the focus groups had responded to this, supported at times by on-line courses from trade bodies like British BIDs [Bb]. The Bb online Q&A sessions registered 144 BIDs in this period.

FINANCIAL RESILIENCE cont.

Levy income and bills

All BIDs had been in contact with their local authority, and most had estimated a potential levy income for the year and were projecting a severely reduced income for the year.

Although most BIDs had their levy bills going out in March for the beginning of the financial year, some had not. A few BIDs' levy bills had already been sent out some months earlier under their Operating Agreement, and others had not yet been sent out.

This variation in the sending out of levy bills was one reason why some BIDs were less exposed than expected.

However, the removal of all business rates for 2020-2021 from the retail hospitality and leisure sectors meant that the continued requirement for BID levy amounts to be paid was a stark contrast, and many BIDs were deeply concerned about this.

Proportion of non-retail, leisure and hospitality businesses

However, it was clear that despite this some groups of levy payers were indeed continuing to pay their levy bills. The large national food stores were operating and were paying their bills. Also, some of the professional and service industry levy payers were still trading, with their staff working from home, and were continuing to pay levy bills. It was unclear whether this was merely an automatic system response or a recognition of the importance of the BID for the long-term future of their towns and cities.

Local Authorities

There was much detailed discussion on the role of the English local authorities in levy bill collection, the power of the regulations in ensuring local authorities send out levy bills, the role they had in following up non-payment and the importance of Operating Statements.

It was clear from the great majority in the five focus groups that on the whole local authorities had been very supportive. Examples were given of advances being made to cover all or part of levy payments, levy bills being 'cancelled' by local authorities and the BID being reimbursed, or loan contributions towards BID operational costs⁶⁸.

On the other hand, there was evidence of some local authorities refusing to send out levy bills because of the work they were doing on business grants, staff working from home and not being able to access levy bill software, or local authorities with their own cash flow problems and refusing to help. One local authority is even reported to have been attempting to renegotiate its financial commitments under the Operating Agreement with its BID. It is clear that much work needs to be done on explaining to some local authorities the roles and tasks that BIDs undertake. A technical guidance paper has been produced for local authorities⁶⁹; a training programme needs to be provided and local authorities as key stakeholders need to be embraced by the BID industry.

⁶⁸ Council announces £600,000 cash flow assistance for Cornwall's Business Improvement Districts

⁶⁹ <https://britishbids.info/publications/technical-guide-for-local-authorities>

FINANCIAL RESILIENCE cont.

Income levels

Most BIDs are small; the current median size is 370 hereditaments, and the median income is £282,744. There were concerns that there would be insufficient resilience, particularly in the smaller BIDs.

All British BIDs by size	Annual income	Number of Hereditaments
Lower quartile	£135,486	230
Median	£282,744	370
Upper quartile	£468,773	530
Highest income	£4,099,330	3,000
Total	£129,189,397	131,749

After the initial concerns that at most 20-30% of levy might be collected, the emerging consensus now was that some 40-50% of BID levy payments might be collected depending upon the profile of levy payers, but clearly much of this money would not be collected until much later in the year for some BIDs. We are hoping that for the following year income will pick up, as businesses return to normal or landlords pick up levy payments.

There was a particular concern over new first term BIDs, they have few reserves and often little cash collected. The data suggests that of the 20 newly formed BIDs balloted in the past 12 months, the upper quartile has an income above £371,404; it was hoped that as long as the local authority was supportive this might allow some resilience and thus survival.

FINANCIAL DATA FOR BIDs FORMED IN THE LAST 12 MONTHS	
LOWER QUARTILE	£72,648
MEDIAN	£227,042
UPPER QUARTILE	£371,404
MAXIMUM	£734,148
TOTAL BIDs IN FIRST YEAR	20

FINANCIAL RESILIENCE cont.

Reserves

The advice to BIDs from the national levy payers⁷⁰ at the ballot stage is that they expect a BID to build up and carry some reserves. This ability, of course, varies very much by both the level of income of any BID, and the number of terms a BID has had. On the whole larger BIDs are able to build up reserves over two or three terms. On the other hand, some levy payers have tended to show irritation at high levels of reserves, feeling that they should have been spent on core services.

Thus, reserves vary across the sector. As part of this project we looked at the annual financial statements of a stratified random sample of 10% of BIDs lodged in Companies House for 2018/19.

It was interesting to see how much reserve some BIDs were holding. Some had sensible levels of reserves; at the top end some BIDs have in excess of £1m, well over 100% of their annual levy income

The median level of reserve was £93,982, at 21.58% of levy income; the upper quartile at £185,977, 39.5% of annual levy income.

BID RESERVES IN SELECTED SAMPLE OF BRITISH BIDs			
Measure of reserves	Level of reserves	Levy income	% reserves as a % of levy
Lowest	-£95,474	£164,904	-27.30%
Lowest quartile	£24,147	£299,285	3.52%
Median	£93,982	£458,790	21.58%
Upper quartile	£185,977	£639,800	39.51%
Highest	£2,575,805	£3,700,000	121.54%

Clearly, many BIDs had much less than this; but this argues in the future for all BID Boards recognising the importance of sensible reserves around a figure of at least 20% of levy income, depending upon the size of the BID.

⁷⁰ <https://britishbids.info/publications/national-bid-criteria-2019>



FINANCIAL RESILIENCE cont.

Government responses

The 328 BIDs in the British Isles are distributed unevenly between administrations, with the majority in England. The five administrations handled their BID support responses rather differently.

Nation	Number of BIDs	Hereditaments	Levy Income
England	260	103,617	£111,056,355
Scotland	38	11,910	£6,283,042
Ireland	6	8,815	£5,374,468
Wales	16	3,855	£3,420,992
Northern Ireland	8	3,552	£3,054,540
Total	328	131,749	£129,189,397

Scotland moved quickly, setting up a £1 million COVID-19 BIDs Resilience Fund, with the view that Business Improvement Districts (BIDs) play a vital role as part of a local Coronavirus (COVID-19) resilience response. Where they could agree a response role with local government, the Scottish Government will help resource the BIDs' continuity.

In England, when the lock down happened on March 23, there were concerns over the possible failure of some BIDs, at the very time that they were needed to provide both key support to the business community and to plan for the restart.

Thus, the professional and trade bodies for BIDs [British BIDs, the ATCM and the IPM] working together gathered data on the perceived resilience of BIDs at the time to lobby the Ministry of Housing, Communities and Local Government [MHCLG] on two issues.

The data prefigured that which the focus groups confirmed: reserves would allow 43% of BIDs to continue for over three months; whilst 25% would only continue for eight weeks; a third expected to collect below 25% of their levy income; and 68% of BIDs felt that their future was threatened by the lock down. These were grim figures.

At the same time there were major concerns for 14 ballots taking place before the end of December.

There were two outcomes to the lobbying. The Coronavirus Act 2020⁷¹ that was going through Parliament, allowed BIDs coming to ballot before December 2020 to move their ballot date up to March 2021, giving some much-needed breathing space.

Secondly, MHCLG⁷² announced that the Government will make available up to £6.1 millions of support to BIDs to cover the

equivalent of core operational costs for three months. This funding will be based on a fair percentage of a BIDs levy income from each BID's operating year ending in 2019/20.

As in Scotland, the Government reinforced their commitment to supporting BIDs, recognised the important role they play in allowing local businesses to work together to shape and improve their High Streets and towns and agreed that their role will be even more important in the recovery phase from the current crisis, with a policy objective to help them weather the current crisis, so they are able to help lead the economic recovery in their places to come.

This response from MHCLG was important; it gave support at a key time for English BIDs from their Minister, it offered a lifeline of some cash at an important time and the money was promised to be allocated with a light touch and be with local authorities speedily.

Interestingly, the English model had monies allocated through local authorities under Section 31 orders; this was varyingly successful, with some staff in local authorities denying all knowledge of the monies or the process, whilst others moved very quickly, and some 70 local authorities will receive the first tranche of money in the first week in June. Again, this reinforces the need for better relationships between local authorities and the BID industry, and the need for the industry at a national level to develop and reinforce the links between BIDs, local authorities and MCHLG through better training and development.

The Welsh Government⁷³ supported Business Improvement Districts (BIDs) in Wales with their running costs for up to three months, mirroring the MHCLG figures but allocating money directly using a grant application process.

⁷¹ <http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted>

⁷² <https://www.gov.uk/government/news/6-1-million-funding-boost-to-help-high-streets-and-town-centres-through-pandemic>

⁷³ <https://gov.wales/support-business-improvement-districts-help-town-centres-announced>

TASKS BEING DONE IN THE LOCK DOWN

Apart from one or two, BIDs were still operational and all of those in the focus groups were working intensely, some staff feeling that they were working harder than ever before.

All BIDs in the focus groups agreed that there had been a key set of tasks that all BIDs started with once the lock down took place. These were information provision on COVID-19 and how to deal with it, information on the government financial provisions and support to business, information for the public, helping businesses to network and help each other, and security and support for the physical space.

Initial Information Provision

One of the first sets of tasks that all the BIDs were engaged in was making sure that they provided two sorts of information to their levy payers.

Firstly, information about COVID-19, what it was and how it was spread. This was in the main by using websites and regular eNews tools to disseminate to their levy payers the key facts⁷⁴. The 'front face' of these mechanisms were websites, Twitter streams or Facebook pages.

Alongside this was advice to levy payers about the key issues of cash flow, furlough and business survival as the government made that available. These were tasks that BIDs were going through themselves, so there was a sense of experience and authenticity in the advice-giving process.

Providing grant funding availability and Government Information to levy payers

This then speedily transformed to working with local authorities on ensuring that the full information on the funding government suddenly made available was fully disseminated to levy payers.

BIDs have highly detailed databases of their levy payers, deriving from their need for data to support their ballots, advise on levy payments and provide the key services for safety, security, newsletters etc that all BIDs provide. This information will normally have email addresses, and mobile phone numbers. This has been a vital tool in many BIDs for their work in the lock down.

Government decided early on to allow a business rates holiday for 2020-2021 for retail, hospitality and leisure businesses. This at once threw up definitional issues for many small businesses, who had of course already entered lock down on March 23 and were working from home and thus not coming into their shops and businesses.

At the same time, small businesses in England who pay little or no business rates became entitled to a one-off cash grant of £10,000; those retail, leisure and hospitality businesses with a rateable value of over £15,000 but less than £51,000 became eligible for a grant of £25,000; and a final source of new funding was made available through more flexible grants. This suddenly meant that 956,143 businesses across England had to be written to, at a time when many were locked down.

BIDs were heavily involved in this process; with 131,749 hereditaments in their information systems, they had access to detailed contacts for a reasonable proportion of those receiving monies and, more importantly, current and accessible contacts. This they developed to the fullest extent and contacted members, produced electronic newsletters, ran on-line focus groups and webinars.

The data outcomes on the grant funding to the 314 local authorities of these various funding lines is available weekly⁷⁵ and again many BIDs were monitoring the data for their own local authority and passing this on to their members and Boards.

⁷⁴ Dawson, Gerry. Business Improvement Districts England: Best Practice during the COVID-19 Crisis Period
<https://public.3.basecamp.com/p/bqZD734Qk14NfhYVinpJA15y>

⁷⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/887597/la-grant-payments-260520.csv/preview

FINANCIAL RESILIENCE cont.

Government Lobbying - Raise the Bar

One other project that many BID became involved in was a campaign for the shops, pubs, clubs, restaurants, hotels and leisure businesses in town centres unable to access Government grants because of the rateable value bar at £51K. The request is to increase the threshold from £51,000 to £150,000 and allow more businesses the opportunity to access the £25,000 grant.

Place security

Most BIDs in towns, cities and commercial areas have been heavily involved in the security and safety of their 'places'. Many BIDs provide a security service to their levy payers by way of rangers, guides or other staff on the streets of their towns and cities, industrial BIDs provide security services and some 80% of BIDs manage or work with their Business Crime Reduction Partnerships. These teams have been key parts of the BID service provision during the lock down.

Many BIDs spoke of their use of online reporting services such as DISC, and reports suggest anti-social behaviour have increased by over 60% during the lock down⁷⁶. Much of this is accounted for by individuals flouting the government's Coronavirus-related social restrictions. Another factor is the increase of anti-social behaviour as a result of the closure of schools.

BIDs also spoke of their support of the police in their new job of enforcing government Coronavirus-related social restrictions; particularly the two key requirements identified by the National Police Chief Council and the College of Policing: that enforcement is delivered with a 'soft touch', but also efficiently, effectively and consistently. In some areas this support has included working with security colleagues in 'policing' public spaces⁷⁷.

⁷⁶ <https://discagainstcrime.com/disc-and-coronavirus/>

⁷⁷ <https://www.theargus.co.uk/news/18471232.brighton-beach-seafront-access-restricted-wardens/>

ONLINE ACADEMIES

It is clear that the short, affordable online platforms such as Zoom and Teams have transformed the training environment during the lock down. People felt that it is essential that these continue. All BIDs were of the view that they had come together more regularly during the pandemic, through training courses, through more regular meetings of the regional groups, through WhatsApp and Basecamp groups, and through newer Zoom and Team groups such as that for the industrial BIDs. They expected that to continue.

PLANNING FOR THE RESTART

These lock down tasks were then followed by a second wave of projects, once the Prime Minister⁷⁸ announced the rebuilding strategy and the Safer Public Places guidance⁷⁹ and the individual sector rules for the restart⁸⁰ were published. These took the BID tasks to a higher level.

Pedestrian signposting and Personal Protection Equipment [PPE]

Once the government guidelines on business restarting came out many BIDs became heavily involved in a wide range of projects on pedestrianisation, signposting, and street layouts. Working with their local authorities they are ensuring that the proposals on urban centres and green spaces to help social distancing are properly affected.

Alongside this came work on providing Personal Protective Equipment to levy payers, either at cost or as a free provision. BIDs seemed to develop three options; some are buying the equipment for selected businesses, some are planning to buy from a recognised supplier to sell on to businesses, whilst others are getting details of the equipment available, along with price ranges and then sharing with businesses. Some BIDs located in industrial or commercial estates were able to send out details of equipment being sold by their levy payers to other BIDs. Others are using the national supplier's National BID buying group to monitor costs and secure the best prices for their levy payers.

Task forces

Most local authorities and government agencies are setting up planning groups and task forces for the restart, and it was clear from the focus groups that BIDs are heavily involved in these, making use of their access to their local business communities, their contacts and their personal local knowledge. Some BIDs are leading these groups, whilst others are having key roles in them.

One challenge was felt to be a response to early retail unit vacancies, as some retail goes into liquidation once the furlough funding ceases at the end of July. It was felt vital that local authorities could move swiftly, link with other sources of funding such as the existing Future High Streets fund and the new EU funding, and work with business in an agile fashion to respond sensibly and creatively.

⁷⁸ <https://www.gov.uk/government/publications/our-plan-to-rebuild-the-uk-governments-covid-19-recovery-strategy>

⁷⁹ <https://www.gov.uk/guidance/safer-public-places-urban-centres-and-green-spaces-covid-19>

⁸⁰ <https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19>



BALLOT PLANNING

The Coronavirus legislation⁸¹ took some pressure off those BID's coming to ballot during the Coronavirus pandemic by allowing 14 affected BID's to extend their terms until March 2021. Four BID's had successful ballots in the early part of the pandemic, but the legislation on elections put a halt to the others.

Of course, this pushes rather more ballots than normal into the Spring, around 40; and there will be 80 ballots between now and the end of 2021.

It was felt that the pandemic has put great pressure on BID's and their ballots. A large proportion of businesses in the retail, leisure and hospitality business will not pay any business rates this year, and thus the proof of BID value for money will need to be even stronger than normal.

Some BID's felt that many businesses will not be reopening after the lock down, particularly in the small independent retail and food and beverage sectors, and that BID's will need to revisit their aims and objectives, voter lists, and budgets as part of their ballot analysis, and rewrite much of their business plans. Clearly this will be a key development task for BID managers and will need to be done swiftly as BID proposals will need to go before their local authorities before the final business plan can be designed and presented.

On the other hand, many BID's feel that their performance and delivery during the crisis has won them many allies.

PLANNING FOR THE 'NEW NORMAL'

The final strand of discussion in the focus group sessions was a sense of what the 'new normal' might look like and how it might affect BID's.

Whilst the future was obscure, there were some evident trends. The role of retail and the look of the High Street was starting to become uncertain some time before the Coronavirus pandemic; the setting up of the Future High Street Task Force, and the major government investment in the area was symptomatic of this recognition. The major pressure points of increasing on-line retail, the cost of High Street rent and rates, and the level of debt in some of national businesses was always pointing to major structural change and the BID's in the focus groups all recognised this; the pandemic had merely exacerbated this, albeit in a dramatic and very sudden fashion.

A number of possible impacts of the pandemic were discussed in the focus groups at some length: working from home, the change to residential, the effect on leisure and tourism, the changing role of service industries and offices, the move toward supporting 'local' during the pandemic and how long that would last, and the changing types of town and city centres in the new normal.

⁸¹ Coronavirus Act 2020 <http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted>

PLANNING FOR THE 'NEW NORMAL' cont.

Working from home

The lock down has produced a very new way of looking at the work habits of much of the population. Businesses have found that home working can be successful, it is greener, it has fewer capital costs, and staff like it. As people become more used to working from home, many employers are now reconsidering their established working practices and potentially shifting towards a future where the traditional office plays a less central role.

There are downsides, particularly for creativity, in the relationship between vibrant towns and their workforces working from home. Research at the Centre for Cities and the London School of Economics, looking at the relationship between science, creativity and innovation, examining the interplay between the creative and non-creative sectors and how they foster innovation, suggests that while this will change how we use cities, face-to-face working still matters as a means to foster innovation⁸². Some towns and cities will change much faster than others, depending on the types of businesses within them.

However, many BIDs see the change in working patterns as one key driver of change - with impacts on travel, parking, food and beverage in those cities with a large working population, and more positive ones in the smaller towns, cities and suburbs that will inevitably benefit. Indeed, the move to living out of towns and moving to more rural communities was mentioned in some of the focus groups.

Offices and service industries

Thus, a move to more working from home may impact on the range and types of office provision. Large multi-floor office blocks for service industries may be a thing of the past. There was no sense that there would not be a need for corporate headquarters, merely a sense that they might be smaller, occupied on a less permanent basis and far more innovatively designed. Again, there might be an increased interest in small towns with high quality transport access.

At the same time of course, there was an acute tension between the need for social distancing in the new work environment, with a requirement for large office spaces, with people still working from home⁸³. This would only become clearer as the new normal developed.

Nonetheless, some BIDs were most certainly thinking through a major shift in their business communities away from traditional retail toward new sorts of service and specialist offices. Over recent years there has already been a growth in BIDs in areas of office, commercial and services and this is impacting on types of service provision; an increase in safety and security, more work on broadband, more work on secure waste, insurance services etc. Many BIDs feel this will continue.

Changes in retail

It was very clear to many BIDs that retail would change in a major way after the pandemic, but many felt that this change would be varied across towns and cities as the shifts in working from home, and the residential, office, retail balances in towns, worked their way through society and the economy.

For most BIDs the retail industry had already changed, with online and high rents and rates already driving out the traditional department store; the Coronavirus pandemic has merely accelerated that which was already taking place. *"Vibrant city centres where there are a lot of workplaces, residential movement et cetera, they've got a future, so I'd hesitate to codify it around city centres versus retail parks...But city centres that don't have that vibrancy and have been struggling anyway, where people have to flock to on public transport, they've taken a hit during this period. It should be a catalyst for every city council, local authority across the country and retailers like ourselves to come together and start planning for how you make these urban centres vibrant again."* (Marks and Spencer's CEO Steve Rowe)⁸⁴

⁸² <https://www.centreforcities.org/podcast/city-talks-coronavirus-and-the-future-of-work/>

⁸³ <https://www.personneltoday.com/hr/return-to-work-will-hot-desking-go-cold/>

⁸⁴ <https://www.thegrocer.co.uk/marks-and-spencer/mands-set-to-gravitate-away-from-high-streets-more-after-coronavirus/605042.article>

PLANNING FOR THE 'NEW NORMAL' cont.

The 'experiential'

The 'experiential' had become a key element in many High Streets, and BID's have been responding to that change, with an emphasis on events, a returning interest in key anchors like libraries, theatres, cinemas and museums, supported by high quality food and beverage. It is these very anchor roles that are most at risk in the new normal, with many BID's on their discussions working out how cinemas, and theatres, or the small food and beverage offering high quality experience could survive the current problems.

Creative thinking includes how cars could make way for dining tables in the city's streets as some roads are closed to traffic in an attempt to get bars and restaurants back in business following the lock down. An increase in pavement dining is one of the ideas being discussed between business representatives, and city councils⁸⁵. Cities around the world are looking at regulating the way people gather together with social distance rules while planning how to jumpstart the economy. Allowing businesses to take to the streets is seen as a measure that might provide assistance to currently closed businesses; restaurants and bars will be able to reopen yet maintain physical distancing^{86 87}.

Return to the local

There was a sense that some local business communities, with small footprints, serving a local, increasingly working from home group of users might benefit. Such communities would retain the stored memories of retailers that had been caring and supportive in the pandemic and would keep using them. Those who could 'walk to the shop' would increase in number as working from home became more normal and the generally smaller BID's in suburban or small market towns might prosper.

Such BID's might need to return to an earlier more traditional set of aims and objectives and mirror what Mary Portas is calling a new emerging 'kindness economy'⁸⁸.

Residential

The reduction in retail provision, and the rethinking of office and service industry space requirements was seen by most as resulting in a return to more residential occupancy in town and city centres; and, of course, the newly relaxed Permitted Development Rights and the huge demand for affordable accommodation allows some virtuous circles to emerge.

Agents are reporting a surge in the numbers of would-be homebuyers planning a move out of the city to a rural area or smaller town as people conclude that home working is here to stay. Firms said that during the last few weeks they had seen a big increase in enquiries about well-connected countryside and "out of city" locations – ranging from English market towns to Scottish fishing villages – where people could split their working week between home and office once life starts to return to normal.

Again, any moves out of larger cities to smaller towns will impact on the 'look and feel' of towns and cities, and the types of BID's that provide services to their towns and cities. There was a sense that many BID's will need to review and rethink their business plans, aims and objectives as they come to ballot in the next few years.

A new regionality

Quite a few BID's were thinking through the issues of cities versus towns, the growth of the local, and the impacts on tourism and holidays. They were already analysing the possibilities that the end of cheap international air flights will bring holidays back to the UK and revive the ailing seaside economies in the UK.

Some BID's hoped that the move toward small towns and a reduction in long distance commuting might shift the dominance away from London and the big cities of the UK.

⁸⁵ <https://www.cambridgeindependent.co.uk/news/coronavirus-how-cambridge-city-centre-will-adapt-as-cars-make-way-for-street-diners-9110909/>

⁸⁶ <https://www.bristolpost.co.uk/news/bristol-news/traffic-free-zone-clifton-village-4165684>

⁸⁷ <https://www.glasgowtimes.co.uk/news/18463882.open-streets-save-glasgows-restaurant-scene-glasgow-might-reopen/>

⁸⁸ https://www.ted.com/talks/mary_portas_welcome_to_the_kindness_economy?utm_campaign=tedspeak&utm_medium=referral&utm_source=tedcomshare

SOME CONCLUSIONS:

A NEW OPPORTUNITY

All BIDs taking part in the focus groups saw the post-Covid 'new normal' as a place of major change, with much uncertainty but also much possibility. The consensus in all the focus groups was that of opportunity, of BID managers being positive individuals who had come into the industry because of the challenges and variety. This was refreshing and spirit lifting.

It will now be for all of us in BIDs to reflect on both our own shared thinking, and the thinking taking place across the world outlined in this work about this 'new normal'. It will be for BIDs to then integrate it into the way that we work, the way that we cooperate, and the way that we move toward an increasingly shared vision of place that brings together businesses, all the varied place users, and our local authorities.





SECTION 3

USERS OF PLACES

A final piece of data collection for the project was to take one particular city and explore in depth how its population was responding to the Coronavirus pandemic in 2020. It was decided to interview 500 people as part of the case study, stratified by age, gender and postcode locations forming the local catchment area for the city of Nottingham.



USERS OF PLACES

Nottingham was chosen for a variety of reasons, but it seemed a typical city to do such a piece of work on, with an estimated population of 329,200.

There has been a large amount of other similar work during this Coronavirus pandemic, much already cited; *inter alia* YouGov⁸⁹ has produced a continuing range of social indicators on people's responses to the pandemic, Imperial College is producing and hosting an international dashboard on the pandemic⁹⁰, and Savills has a blog on *What comes after Covid*⁹¹.

All of these have been used and cited already in this piece of work, but one difference has been that most data collection has been effectively a self-selecting sample of people who have voluntarily logged in and recorded their attitudes; this piece of case study has been stratified and structured.

We provide some analysis and have used the data throughout this piece of work, but it is also for the reader to look further at the data and draw their own conclusions. The data is readily available on request.

People working in the City

We were interested in what proportion of those interviewed were working in the city, and what were their age ranges. It is clear that some of both the young, those under 18, and the older, those over 70, are still working in the city. This was not a surprise, but a clear confirmation that the workforce is both larger and more widely spread than anticipated.

At the same time, it is clear that more people would like to work from home after the lock down, indeed the data suggests that all of those working would prefer to work from home.

One fundamental driver of the emergence of a 'new normal' will be levels of employment and income after the deep recession that is anticipated.

WORKING IN THE CITY CENTRE	
Age groups	% Working in the City
Under 18	3.40%
18 - 30	11.20%
31 - 40	9.60%
41 - 55	12.00%
55 - 70	9.60%
Over 70	3.40%
Grand Total working	49.20%

⁸⁹ Yougov. COVID-19 Public Monitor

⁹⁰ Imperial College Institute of Global Health Innovation.

https://public.tableau.com/profile/ighi#!/vizhome/ICLYouGovCovid-19Tracker_V0_3/1Specificpreventativebehaviourbycountry

⁹¹ Savills. Savills Blog | What comes after lockdown?.pdf

CHANGES OF INCOME IN THE COVID-19 PANDEMIC

The large majority of those responding felt that their income has fallen in this period. For some, those that have been furloughed or are working from home, costs may have also fallen. The spending power and pattern of those locked down will greatly affect the restart.

INCOME AFFECTED BY LOCK DOWN	
Yes	66.40%
No	33.60%

WHAT PEOPLE ARE MOST LOOKING FORWARD TO AFTER THE PANDEMIC

Most looking forward to:	%
Going for a meal	48.0%
Shopping	43.8%
Meeting friends for drinks	35.0%
Cinema or theatre	55.8%
Using services such as banks	2.4%
Services such as hairdressers	54.3%

The responses from residents suggest that going to the cinema, theatre, or hairdressers is the greatest anticipation, with banking the least. This data mirrors that which other surveys are picking up and gives a steer for BIDs after the restart. It is of course ironic that these are the most difficult activities to socially and physically distance and will challenge businesses to come up with innovative solutions.

WHAT PEOPLE ARE MOST LOOKING FORWARD TO AFTER THE PANDEMIC BY AGE

The breakdowns by age in percentages show some slight shifts; for the 18-30 age range meeting friends for drinks was the most anticipated, whilst the 41-55 most wanted to go to a hairdresser, and the 55-70 year olds are most looking forward to using services and going to the cinema or theatre.

Age ranges	Going for a meal	Shopping	Meeting friends for drinks	Cinema or theatre	Using services such as banks	Places such as hairdressers
18 - 30	22.08%	22.83%	34.29%	17.92%	33.33%	19.19%
31 - 40	20.00%	19.18%	18.86%	19.00%	16.67%	20.66%
41 - 55	17.08%	19.18%	19.43%	17.92%	8.33%	22.14%
55 - 70	20.42%	19.18%	17.14%	22.22%	25.00%	20.30%
Over 70	10.42%	9.13%	7.43%	12.54%	16.67%	9.96%
Under 18	10.00%	10.50%	2.86%	10.39%	0.00%	7.75%

HOW LIKELY ARE YOU TO USE THE CITY CENTRE AFTER THE LOCK DOWN IS OVER?

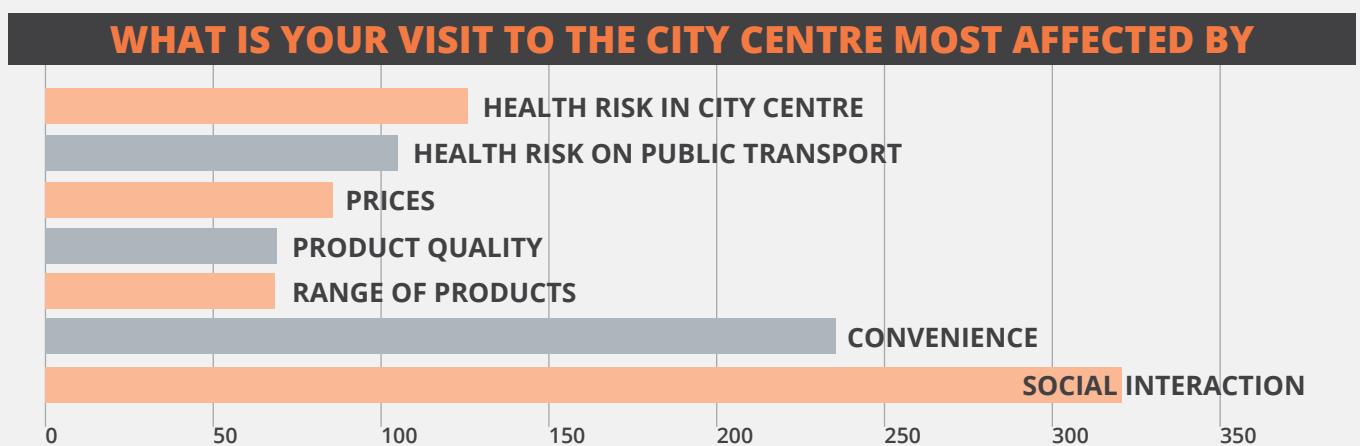
The Nottingham evidence is one of some change to people's habits in relation to using the city centre after the lock down; whilst 64.8% will use it just as often, over a quarter expect to use it less frequently.

Likelihood	% of people
Much less frequently	7.2%
Somewhat less frequently	19.4%
About the same	64.8%
Somewhat more frequently	7.4%
Much more frequently	1.2%

WHAT FACTORS AFFECT PEOPLE'S THOUGHTS ABOUT GOING INTO THE CITY CENTRE

The two major driving factors affecting people's views on going to the city are about social interactions, and convenience.

People are naturally gregarious; they live in towns and cities for a reason and they like the convenience of 'going into town'.



ONLINE SHOPPING AFTER THE LOCK DOWN

Using online after the lock down	Likelihood of using online shopping
Much less frequently	5.60%
Somewhat less frequently	16.40%
About the same as before	60.60%
Somewhat more frequently	13.60%
Much more frequently than	3.80%

We were clearly interested in the move to online retail. Residents were asked about their attitudes toward online shopping, and 60.60% of people will remain as before, although 22% feel that they will use it much or somewhat less frequently. It will be interesting to see how this develops, many have found online a lifeline during the lock down, and 17% will use it more. It is interesting that more people say 'less' than 'more' (much and somewhat added together for both) – this might indicate a dissatisfaction with home delivery and an opportunity for more click and collect.



USING LOCAL SHOPS

Similarly, the use of local shops is seen as being broadly the same as before at 61.1%, although some 35% see the use of local shops being more frequent. This could be significant if it continues after the restart and will need to be built upon by independents and BIDs.

Using local shops after lock down	Likelihood to use local shops
Much less frequently	0.1%
Somewhat less frequently	2.7%
About the same as before	61.1%
Somewhat more frequently	29.8%
Much more frequently than	6.4%

LIKELY TO SPEND MORE IN LOCAL SHOPS

Visits are of course not the same as spending money, and the spend in local businesses is projected as showing an increase of 23.3% of people spending more.

% SPEND MORE IN LOCAL BUSINESSES	
Yes	23.30%
No	76.70%



HOW LIKELY ARE YOU TO MAINTAIN SOCIAL DISTANCING?

Social distancing has been a vital part of the COVID-19 crisis, and a proportion of people will continue to keep social distancing, with 30% likely to keep a distance. However, some will just not go to events and places they worry about. This suggests that the future might be constrained by social distancing, but possibly insufficiently to allow people to come into town comfortably, as this is such a major concern for many people.

LIKELIHOOD	% LIKELY TO MAINTAIN SOCIAL DISTANCING
Continue as before	12.20%
Likely to try to keep a distance	30.20%
Likely to spend less time in venues	16.00%
Likely to avoid events that involve larger gatherings	20.80%
Likely to limit trips and/or length of trips to the city centre	20.80%

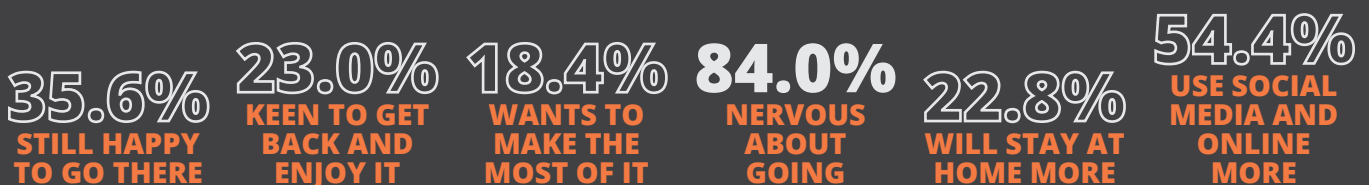
CONCERNS AND WORRIES ABOUT GOING INTO THE CITY BY DIFFERENT AGE GROUPS

There are major concerns from all age groups about going into the city; the worries are about social distancing, and the issues of cleanliness, transport, distance between tables and trying on clothes etc. These are all serious levels of concern and will need to be dealt with physically and from a communications and persuasion perspective.

Age Groups	People not keeping social distancing	Transport into the city	Cleanliness in the city	Virus transfer while trying on clothes etc.	Distance between tables etc.
18 - 30	17.54%	16.74%	22.22%	19.37%	21.18%
31 - 40	20.15%	20.93%	16.67%	18.85%	21.18%
41 - 55	20.52%	19.53%	20.37%	17.28%	18.82%
55 - 70	22.39%	21.86%	24.07%	22.51%	19.22%
Over 70	11.57%	9.30%	11.11%	13.61%	10.20%
Under 18	7.84%	11.63%	5.56%	8.38%	9.41%

HOW LOCK DOWN HAS AFFECTED MY RELATIONSHIP WITH THE CITY CENTRE

Attitudes about how the lock down has affected people's relationship with the city centre and local businesses do most certainly show people's concerns, with 84% of people nervous about going back into the city. The management of these concerns may well be critical to how speedily the city centre recovers.



WHICH BUSINESSES WILL I SUPPORT AFTER THE LOCK DOWN?

Whilst people have been affected by the lock down and their use of businesses, the majority [54.20%] will still continue to shop with no changes. Nonetheless, 32.4% see themselves using local independent business more often, and 8.6% using city centre independents. These are meaningful shifts and reflect the national consensus.

I FEEL I WILL SUPPORT:	WHICH BUSINESS WILL SUPPORT AFTER LOCK DOWN
Independent businesses more in the city centre	8.60%
Independent businesses more in my immediate local area	32.40%
Continue to shop as normal with no changes	54.20%
Larger retailers more	4.80%

THINGS I WOULD LIKE TO SEE IN THE CITY AFTER THE LOCK DOWN

The dominant requirement from local residents in general is adapted opening hours, to allow a greater spread of people going into the city centre, and the use of capacity limits on venues.

OUTDOOR RECREATIONAL SPACES 20.8%

OUTDOOR EVENTS 21.4%

ADAPTED OPENING HOURS 35.8%

PERSONAL SANITATION PROVISION 24.4%

ADDITIONAL CLEANING OF CITY AMENITIES 13.6%

CAPACITY LIMITS ON VENUES 26.8%

NO CHANGE 11.2%

THINGS I WOULD LIKE TO SEE IN THE CITY BY POSTCODE

This requirement varies between people living in the separate postcodes in the city, a response perhaps to how far they are from the centre and how much change they look forward to. Two areas, the city centre and West Bridgford have a sizeable level of people wanting no change **[32.4%]**

City areas	Outdoor recreational spaces	Outdoor events	Adapted opening hours	Personal sanitation provision	Additional cleaning of city amenities	Capacity limits on venues	No change
Nottingham city centre	13.46%	23.36%	24.58%	31.37%	23.53%	23.13%	32.14%
West Bridgford	31.73%	23.36%	24.02%	15.69%	26.47%	24.63%	32.4%
Mapperley	28.85%	25.23%	27.37%	23.53%	22.06%	22.39%	21.43%
Arnold	25.96%	28.04%	24.02%	29.41%	27.94%	29.85%	14.29%

ACCESS TO GREEN SPACES

There was most certainly an increased interest in having access to green spaces. Following the lock down this does seem to be a major surge, with 51% planning to visit more green spaces more often. This desire for access to green space gives strong signals to BIDs and city centre managers about long term solutions to 'experiential' activities.

PLAN TO VISIT MORE GREEN SPACES MORE OFTEN	
Yes	51%
No	49%



SOME CONCLUSIONS

TO THE NOTTINGHAM RESEARCH

Users are keen to come into towns and cities after the lock down for experiences; going to the cinema, theatre, or hairdressers, or meeting friends for drinks were the most anticipated events. Most people say they still want the same things, they want to shop locally a little more, to use the internet a little less, to use green and public space a little more, but they want to do so safely. BIDs will need to work with all local stakeholders to ensure this happens.



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