

GUIDING
PRINCIPLES OF A
WELL MANAGED
BID

BUSINESS IMPROVEMENT DISTRICT

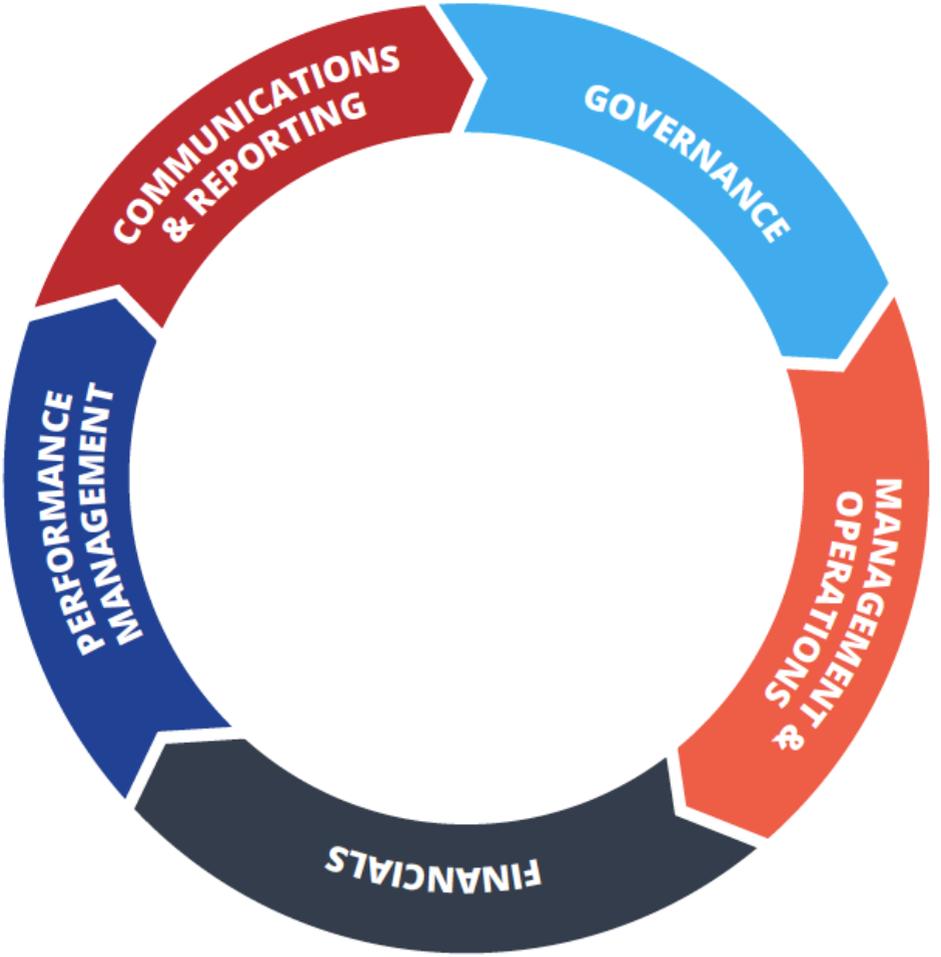
NATIONAL GUIDING PRINCIPLES FOR A BID

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

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

Whilst the Guiding Principles is a voluntary code, the elements within this document are those that are used to assess BIDs who wish to be accredited by Bb and gain the industry recognised standard.

This document should be read alongside the Bb National BID Criteria, industry guidance for the business plans of developing and renewing BIDs.



DEMOCRATIC & EFFECTIVE

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

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





GOVERNANCE

OBJECTIVE

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

PRINCIPLES

- 1.** The Board of the BID Company should be representative of those who pay and there should be a clear process on how Directors are selected together with the Board's rotation policy. Consideration should be given to the balance between sector, size, geography, gender, equality and diversity and skill set.
- 2.** Alongside the Board there should be appropriate working groups and forums ideally chaired by a Board Director or staff member, which ensure a regular dialogue with contributors and other stakeholders.
- 3.** The Board, all working groups and forums should have Terms of Reference detailing their responsibilities and decision-making procedures. It should be clear what the relationship and reporting procedures are between the Board and other groups.
- 4.** The Board should have a process for handling known or potential conflicts of interest and for those interests to be recorded.
- 5.** An Operating Agreement should be in place, for the duration of the BID term, that defines the contractual relationship between the BID and the Local Authority in relation to levy collection and enforcement, and overall BID management and delivery. As a minimum, annual meetings should take place between the two parties.
- 6.** A Baseline Agreement must be in place, for the duration of the BID term, that sets out the baseline services to be delivered by the Local Authority and any other relevant statutory authority, which correlate with those that the BID intends to add value to within the specific BID area. As a minimum, annual meetings should take place between the two parties.
- 7.** The BID Company should review its Articles each year to ensure they are still fit for purpose. If necessary, changes can be made via an Extraordinary General Meeting.



MANAGEMENT & OPERATIONS

OBJECTIVE

A BID has a responsibility to manage its operations effectively ensuring best value for its levy payers. Staffing structures should be appropriate and proportionate to the size of the BID and there should be robust procedures in place to ensure staff have clear roles, understand their responsibilities and have the best opportunity to develop and contribute to the success of the BID.

PRINCIPLES

- 1.** A staffing structure (including both in-house staff and external consultants) with clear line management arrangements must be in place including the provision of a staff handbook, staff contracts and job descriptions and as a minimum, annual appraisal procedures.
- 2.** Alongside one to one staff meetings and appraisals, training or development needs of staff should be identified and provided for. New staff should have an induction.
- 3.** There should be clarity on the role of the Board in relation to overseeing operational management and project delivery.
- 4.** Appropriate procurement procedures should be in place to ensure open and impartial contracting of service providers that achieves best value and delivery. These procedures should be proportionate to the value of the contract.
- 5.** Contracts should be issued for third party contractors and these should be monitored regularly.
- 6.** BID Companies should be adequately insured with public liability, buildings and contents insurance and professional indemnity insurance for its staff and Directors.
- 7.** Appropriate procedures should be put in place to store and manage levy payer's contact details ensuring that the BID Company complies with the latest data protection legislation including registration with the Information Commissioner.



FINANCIALS

OBJECTIVE

The income of a BID comes from a wide range of levy payers and other sources therefore it is incumbent on the BID to manage these finances effectively and prudently. The BID should be able to justify all expenditure decisions and be able to provide current and up to date financial information if requested. Robust financial procedures should be in place enabling the financial position to be regularly monitored and any issues responded to as they arise.

PRINCIPLES

- 1.** Full and thorough financial procedures should be in place to ensure efficient accounting practices including independently produced end of year accounts and an annual budget setting exercise.
- 2.** The proportion of budget spent on management and overheads including the cost of levy collection should be closely monitored to ensure levy payers are getting best value for money.
- 3.** All BIDs should apply for partial or full Corporation Tax exemption and be VAT registered.
- 4.** Additional or in-kind contributions should be recorded for each financial year as a percentage of total income.
- 5.** There should be a clear process in place for approval of all expenditure and payment of invoices, day to day financial reporting systems and monitoring of financial performance.
- 6.** A variation procedure should be in place confirming the limits and arrangements for adjusting the BID's project expenditure allocations year on year.



PERFORMANCE MANAGEMENT

OBJECTIVE

Regular review of the BID's performance is important to ensure the BID is meeting the pledges it made in its business plan and responding to the changing needs of its levy payers. Frequent monitoring of key targets and research should be undertaken and shared with the Board.

PRINCIPLES

- 1.** An annual delivery plan including objectives, key performance indicators and targets linked to the BID business plan should be prepared and reviewed against business needs.
- 2.** BID outputs and results should be recorded and reported through the Board and to levy payers.
- 3.** Regular levy payer surveys and other relevant research should be carried out and the results used to inform any amendments to planned services.
- 4.** A mid term review of the BID should be undertaken to check performance against the business plan.
- 5.** The BID should seek feedback on the return on investment for levy payers including benefits such as additional sales, cost savings, improved trading opportunities etc. Evidence of these benefits should be sought via testimonials.



COMMUNICATING & REPORTING

OBJECTIVE

A BID has a responsibility to communicate with its contributors to ensure there is a two-way exchange of information on the needs of the area and the value and impact of the services delivered. Feedback should be used to shape the ongoing BID projects and services. Evidence of the benefits the BID is delivering by way of return on investment should be recorded.

PRINCIPLES

- 1.** Regular communications with contributors and end users should be undertaken to provide opportunities for feedback and to inform the ongoing needs of delivery for the BID. There should be some form of contact at least quarterly.
- 2.** There should also be a procedure for welcoming new businesses to the BID.
- 3.** A marketing and communications plan should be prepared outlining how the BID communicates with its levy payers, consumers and others.
- 4.** Annual financial reporting should be undertaken with levy payers covering the legally required billing leaflet as a minimum. This should include how much levy income has been collected, how this was spent in the current year and how it is intended to spend the income in the following year.
- 5.** The BID should manage an accessible website that includes details of the staff team and the Board Directors along with appropriate contact details.
- 6.** There should be an opportunity at least once a year for levy payers to meet with the BID Board or BID staff via an Annual General Meeting or other open meeting or forum.
- 7.** Minutes of Board Meetings or Sub Groups should be made available for inspection by levy payers unless the content is commercially sensitive.



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

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

- The National BID Criteria for renewing and developing BIDs, produced by BIDs, Local Authorities and national levy payers;
- An annual National BID Survey that benchmarks core aspects of BID management and delivery whilst showcasing best practice;
- The i5 stages of BID development training that equips individuals with the core knowledge required to establish and renew a BID;
- Industry accreditation that supports and scrutinises the quality management systems of BID companies and awards an industry quality mark to successful applicants;
- A BID Academy that provides training and the CiBM (Certificate in BID Management) the industry's only formal qualification;
- A series of policy and guidance notes updating BID Boards and their teams on best practice.