NATIONAL BID

BUSINESS IMPROVEMENT DISTRICTS

SURVEY 2017

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With thanks to Boots UK and the National BIDs Advisory Board

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INTRODUCTION

This 11th National Business Improvement District [BID] Survey, conducted in 2017, was undertaken primarily on behalf of the BID industry; that is the 309 separate organisations that are either running BIDs or planning to run them. At the same time, we are conscious that key industry players such as Revo, Boots UK, Nationwide Building Society, the British Retail Consortium [BRC], British Property Federation [BPF] and The Association of Convenience Stores [ACS] who support this year's survey, make use of the data, as do the Department for Communities and Local Government [DCLG] and many Local Authorities.

In addition, British BIDs [Bb] tries to work closely alongside the Association of Town and City Management [ATCM] and the Institute of Place Management [IPM] to ensure the widest possible reach across the whole BID industry. This survey covers all BIDs across the UK and Ireland irrespective of membership of IPM, British BIDs [Bb], Scotland or ATCM.

It was undertaken at an interesting time in UK politics, following the referendum to leave the European Union and the current resulting negotiations, along with a new administration the previous year, a further rather inconclusive election this year and newly elected Mayors in some key cities, including London, Bristol, Liverpool and Cambridge.

The impact of Brexit and declining exchange rates, the growth of internet business, and the dramatic shifts in some business rates has left many high street retailers feeling beleaguered. The Centre for Cities 2017 report[1] suggests that cities accounted for the bulk of British exports at 62% of total exports and that the EU is the largest export market for almost every city, indeed, 46% of all cities' exports are sent there. There will thus be some impact as the negotiations move forward.

Yet the growth of high quality visitor experiences, the increasing integration of service industries into the retail mix, and a deeper understanding of people's need to visit our towns and cities for far more than just shopping is allowing some town centres and their high streets to change and thrive. BIDs continue to be a key part of this response, and some of the projects and schemes identified in the survey evidence some of these responses.

At the same time, BID colleagues are revisiting thinkers and developers like Jan Gehl[2] and Jane Jacobs[3] to see what strategies have been developed in the past to deal with change. There is a growing sense amongst some that current neo-liberal beliefs are being critiqued, anti-managerialism is an evident trend amongst the young, and change may be in the air. BIDs need to be aware of these trends, allowing businesses in towns and cities to continue to be at the centre of the social and political changes we are witnessing. Thus, projects on the role of the living wage, the use of apprentices, working with the disadvantaged, and working with the young all occur within the survey responses.

Similarly, the role of culture and the arts recurred in many responses. This included festivals and street art projects. Aberdeen Inspired won the major European BID project award working in partnership with the renowned Nuart Festival in Stavanger; the Tunnel of Light project in Norwich and the Man Engine in Penzance are all exciting events. This resonates with a national report commissioned by Arts Council England, the Mayor of London and King's College London that will be published later this year and will highlight how BIDs and the Culture sector improve places by working together.

Finally, sustainability and air quality are starting to emerge as issues with Clean Air Zones in Nottingham, Southampton, Leeds, Derby and Birmingham, and projects such as The Airlabs CleanAir bench: a street furniture clean air solution located on Bird Street, just off Oxford Street in London. This is an installation that is part of the world's first smart street in New West End BID.

FROM PROFESSOR
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[1] Centre for Cities (2017), Cities Outlook 2017.
[2] Gehl, J. (2010) Cities for People, Island Press.
[3] Jane Jacobs (1961), The Death and Life of Great American Cities, Random House.

1 THE NATIONAL BID SURVEY 2017

TOTAL NUMBER OF BIDS COVERED IN THIS SURVEY

283

THE PURPOSE

The purpose and uses of this National Survey are multiple. It allows an annual snapshot to be taken of the BID community in the UK and Ireland for policy makers, both local and national; it allows leaders of BIDs to benchmark themselves against their peers and colleagues; it allows Boards of BIDs to both benchmark and identify key performance indicators for their BIDs; it allows levy payers and members of BIDs to ensure that they are getting all the services that they should, and it allows new and developing BIDs to design their services and operations in the most effective fashion.

THE DATA

There were three data collection methods used for this work. A questionnaire, using Google Forms, was issued by email and a newsletter in May 2017 to the Managers or Chief Executives of all the BIDs in the United Kingdom and Ireland, with a response deadline of Friday 4 August 2017. BIDs were also contacted online and by telephone during the survey to remind them of the deadlines and the value of the survey.

Further data were gathered by way of the weekly Bb Ballot Watch information collected by Bb up to the week of August 4; and finally, for some BIDs, the business plans were analysed to ensure the data were as accurate as possible.

These data sets are fluid, as ballots take place every week, and information is then uploaded as it becomes available, but the survey has tried to bring together as much relevant data as possible on the survey collection date of 4 August 2017. The previous year's final cut off point was 27 July 2016, so the data comparisons are reasonable.

The total number of active BIDs covered in this survey was 283, of whom 131 (46%) provided further details by responding to the online questionnaire. Of this total, 261 were Town Centre BIDs and 27 were Industrial BIDs. There were a further 9 BIDs that had failed to come into existence in some way or another, and 26 Developing BIDs. Response rates vary in each of the various sections, as BIDs for a variety of reasons, primarily pressure of work, were more or less able to provide clear, accurate or appropriate data, and the differing response rates are made clear in the text.

For the purposes of the data analysis and presentation, Industrial BIDs are also presented separately in their own chapter in this report. They are often smaller and more specialised, with their own needs. However, as the number of different types of BIDs grows and the variations become less 'different' we have not this year excluded them from the data sets in the other sections. It is clear, speaking to some of them, that they are a key part of the BID community and feel that they should be included in the main body of the work.

THE ANALYSIS

The report is very consciously statistically focused, showing the medians and distributions of key data sets, providing histograms and pie charts of the relevant data so that the distributions can be seen easily and clearly. For many of the data sets the median – the position mid-way along the data distribution and thus representing the level below which half of all BIDs are positioned - is often the most useful.

SOME PROTOCOLS

The National Survey is both an audit, which involves analysing existing data, and at the same time a service evaluation, undertaken to benefit those who use and manage BIDs. It is designed and conducted solely to define or measure current BID services across the UK and Ireland. Our participants are entirely BID staff, the data are aggregated and anonymous, it is not possible to identify individual participants from any resulting report and use of the data will not cause substantial damage and distress. All data is either provided by each BID through the online questionnaire, or through a phone call to the BID, or by way of publicly available validated sources from each BID by way of their business plans or web sites. The final report is anonymised as to individuals, although individual BID companies may be identifiable.

2 BID RESEARCH OVERVIEW AND RECOMMENDATIONS

BIDS AND BALLOTS

This latest survey shows a story of growth and success and is strong evidence of the business community working together to develop strategically. The active BID community now totals 283, an average of 25 new BIDs have come into existence each year since 2012, and there are some 50 new and renewal ballots taking place each year, an average of one per week. It is also an important matter for many of the large national levy payers, who are funding BIDs across the country and are affected by ballots on a regular basis.

It will be important for the national BID players such as Bb to work closely with the national levy payers to champion BIDs in terms of investment, quality and value for money, and the next edition of the Industry Criteria & Guidance notes will be an opportunity for this to happen, by way of agreed minimum standards that can continue to be both audited and reviewed. It will also be increasingly important to know who is dealing with BIDs and who is empowered to vote.

Interestingly, different types of BID have emerged amongst the 25 new BIDs this year, as different communities and groups of businesses respond to a changing environment. New BIDs in tourism, food and drink, flood defences and the first area BID, as well as the Industrial BIDs, are now becoming players of importance and are allowing new options for businesses in areas which might not be able to support a traditional BID. It will be important for BID support players such as local authorities and Bb to recognise and support this changing agenda.

At the same time, some large towns and cities like Bristol, Milton Keynes and Southampton have come through a successful first ballot.

The BID Loan Fund is an essential tool for many town centre BIDs in England. 24 loans have been granted to successful BIDs over several years, and the process needs to continue to allow coherent growth. The slower growth in Industrial and Commercial BIDs suggests that these numbers would grow further if there was a broader based local authority loan fund mechanism, and Bb will be developing such a scheme with local authority partners.

LEVY RATES, HEREDITAMENTS AND THRESHOLDS

The BID levy model isn't changing greatly: the 1.5% levy rate is used by 28% of BIDs; 27% of BIDs operate with a levy rate of 1%; and 10% of BIDs have a rate of 2% or greater. These levy percentages are growing very slightly and slowly over time, despite inflation, with only 26% of BIDs applying an inflation rate to their base levy rate. This suggests that BIDs are managing their services more efficiently as they mature and gain experience. It will be for BID Boards to continue to maximise the efficiencies of their teams, whilst retaining the experience of previous best practice. Bb will be producing a range of policy guidelines during the year to enable this, and clear training and development programmes in an increasingly wide range of topics – BID management, marketing, legal issues, developing BIDs - has become increasingly vital.

Half of all BIDs have below 408 hereditaments, and the typical number of hereditaments falls between 263 and 578. The median this year is lower by 15 hereditaments, suggesting that some new BIDs are emerging in smaller sizes, and also that threshold levels are rising as BIDs plan their ballots more strategically. At the same time, 14 BIDs have over 800 hereditaments and 8 have over 1000 hereditaments. Both these figures are larger than last year, as some BIDs grow as they become more successful. So, two parallel developments are taking place, some new BIDs are emerging that are slightly smaller, and renewal BIDs are becoming slightly larger. On this basis, at some stage which we can now start to project, most of the major towns and cities that can sustain a BID will have one, and alternative models will need to be developed and resourced.

The total number of hereditaments across all BIDs in the survey is 106,262; last year the figure was 78,549, so there has been a 36% total growth, as new BID numbers grow and hereditament numbers increase in renewal ballots.

Many BIDs aim to ensure that no levy payment is less than the cost of collection, many others [61%] keep their threshold at or below the level of the current English government Small Business threshold rate relief figure of £12,000. Thresholds are an area of importance for many BIDs as they come to ballot. Clearly it is tactically valuable to keep the BID hereditament population small and with higher levels of levy income so that the process of campaigning is simple and cost effective. At the same time, for many people, BIDs represent a local business community in which all are involved and represented.

INCOME AND INVESTMENT

The total BID levy income collected across the UK and Ireland this year was £99,971,741, with the lowest annual levy income being £22,000 and a median levy level of £255,000. So, most BIDs are small businesses, in terms of income and service provision. There are 15 BIDs with levy incomes over £1million; all are in the key cities, where rateable values and thus income is higher, and it may be that these 'Big City' BIDs develop into different organisations from the norm. This would be a loss to the BID industry and community in general, and we need to explore how the industry can retain a sense of 'wholeness'.

Most BIDs develop funding streams above and beyond their levy income, indeed that is one of the key measures of a maturing BID. 78% of BIDs recorded additional income ranging from £20,000 to £1,305,000, and £7,973,578 was collected in total across all BIDs. Half of all BIDs leveraged 11% more income than their levy, and 14 BIDs achieved a leverage ratio of more than 1:0.5; that is, they earned by other means 50% more than their levy income, and one BID leveraged nearly 1.5 times its levy income. This is clearly becoming a measure of a mature and successful BID as it enters a further ballot term, and national levy payers will continue to be interested in this as a key performance indicator.

51% of BIDs reported other external investment income as a direct result of their BID activity, although many recognised that investment has been achieved but found it very difficult to quantify. 33 BIDs reported a total of £22,361,472 inward investment income, with Swansea BID succeeding in gaining a major £1.3bn City Regions Deal. We did not put this into the total figure as it would skew it too much, but it is a figure to celebrate.

The totality of BID levy funding, additional funding, investment and in-kind funding gives a figure of £131,219,057 as the total economic contribution from all BIDs, with a leverage factor of 0.31, that is BIDs in total increased the income into their community above their own levy income by 31%. This figure needs to be continuously celebrated as an example of businesses investing in their communities.

LEVY COLLECTION COSTS

The levy collection cost per hereditament in each BID ranges from £0.44 to £103 per hereditament, and 21% of BIDs have no collection charge made on them by their local authority. The median figure – that which 50% of BIDs are under – is £20.50 per hereditament. This sits well with the National Guidelines, which suggest a maximum charge of £35 per hereditament. However, 10 BIDs have levy collection costs of over £50 per hereditament, but seven of those were in London where costs for most supplies and services are on the whole much higher.

Some BIDs are paying large amounts for their levy collection. This is primarily due to charges from commercial intermediaries which some local authorities are using to collect their community charges and non-domestic rates. The industry will need to be able to share this data with their collecting authorities to bring about some change; anecdotal evidence suggests that this is already happening in some local authorities.

BALLOTS

The success rate for 472 ballots across the UK and Ireland from inception is running at 92.8%, with a total number of successful ballots of 438, and a failure rate of 7.7%.

The BID ballot total turnout now averages 47.2%, the majority by rateable value average is 78.2%, and the majority by number is now 74.9%; in most cases the second and third term ballots improve on all measures and most BIDs can go into their renewal ballots with confidence.

PEOPLE - STAFFING AND BOARDS

At the moment, 70% of BIDs operate with three or fewer full time staff, reinforcing the view of the BID industry as small businesses providing sophisticated business and place making support to their local business community. The range of staffing is wide, with the highest number of staff being 18 full-time. One noticeable shift has been that 70% of BIDs make use of external staffing providers in a wide variety of operational roles, and 20% of BIDs are managed by external consultants, as Boards become aware of the costs of directly managing staff and consultants become more skilled in obtaining economies of scale.

Boards are becoming more strategic, with 81% of BIDs having local authority representation on their Boards and 60% having property owners involved in their Boards. 30% of all BID Board members are women and 2% are from the BAME community, so there is still a long way to go, and surprisingly only 83.5% make their accounts publically available.

POLICY AND STRATEGY

On the matter of baseline statements, 84% of BIDs have them, but surprisingly 15% do not, meaning that there is an issue of non-conformity which Boards must address as soon as they can. Of these, 23% of BIDs feel that baseline statements were not being adhered to; nonetheless, 55.9% feel that they are still being adhered to in difficult circumstances for many local authorities.

Only 5% of BIDs have already taken on transferred services, suggesting a nervousness in taking over some local authority activity; but 19.3% confirmed that they were considering some type of service transfer.

15% reported some involvement in Neighbourhood Planning within their area and 39% reported involvement with their LEP; almost all BIDs find such involvement complex and lacking in focus, particularly as most LEPs are focusing on major strategic projects but it is clear that BIDs must become adept in such relationships. 22% of BIDs were interested in taking Property Owner BIDs forward and will be watching developments. Many BIDs [36%] are involved with their Destination Management Organisation (DMO) and expect to see growth in this activity and some actually manage the local DMO.

53% of BIDs are providing support for specifically for their service and professional sector levy paying members. Much of this was in the areas of utilities cost reduction – waste, power, recycling; but some was in the areas of free wireless and Wi-Fi support.

BID REVIEW

The Government has not yet completed its review of BIDs in England, which it started in 2015. Issues from BIDs to be raised with DCLG included longer term lengths, minimum turnouts, electronic voting, local and national government support at the ballot, greater emphasis for agents and solicitors to make it clear that the property is within a BID area, service levels, busking, A-Boards, begging legislation, anti-social behaviour orders, planning consent changes, and greater support for industrial BIDs. These will be brought together into a single paper and submitted to the Department for Communities and Local Government in the next few months by Bb.

3 BID BASICS

WE HAVE
283 BIDS
SO FAR IN 2017

THE GREAT BRITAIN & IRELAND BID COMMUNITY IN 2017

The GB&NI and Ireland BID community totalled 283 in August 2017, of which 283 were active, and 26 were developing and have yet to go to ballot. There were a further 9 that had failed for one reason or another and are not included in the data.

TABLE 1: Types of BID across the British Isles as at August 4, 2017

Type of BID	1st Term	2nd Term	3rd Term	Developing	Grand Total
Area	1				1
Commercial	1	3	1		5
Destination	1				1
Flood Defence Project	1				1
Food & Drink	1				1
Industrial	7	17	3		27
Leisure	1		1		2
Mixed Area			2		2
Property Owner	3				3
Tourism	4	1			5
Town Centre	141	68	26	26	261
Grand Total	161	89	33	26	309

Accurate at time of research.

TYPES OF BID

It seems evident that there is a growth in the different types of BID, as different communities and groups of business respond to a changing environment. New tourism BIDs, food and drink, flood defences and a whole area BID, as well as the Industrial BIDs are now becoming players of importance.

COUNTRIES AND REGIONS

Clearly BIDs are national and regional, reflecting the needs and aspirations of their local business communities. Nonetheless, it is useful to see some key distributions across the British Isles, and the percentages in different areas for both active and developing BIDs.

TABLE 2: Some national and regional data for active and developing BIDs

Region	Number of BIDs	% of BIDs
Ireland	4	1.30%
N.Ireland	6	1.90%
Scotland	39	12.60%
Wales	12	3.90%
London	62	20.10%
Birmingham	11	3.60%

NEW BID DEVELOPMENT

The arrival of new BIDs has been impressive since the first BID become operational in 2005. In the past six years new BIDs have come into existence each year, although there have clearly been ebbs and flows in the numbers.

TABLE 3: 2012-17 Development of new BIDs over the past six years

Year	Town centre BID	Industrial BID	Destination BID	Area BID	Total
2012	32				32
2013	25	1			26
2014	16	2			18
2015	18	2			20
2016	31	1			32
2017	22	1	1	1	25

DEVELOPING BIDs

There are also currently 26 BIDs that are in the development stage, with ballots coming up in the next year or so. There is some complexity inherent in defining a developing BID; for this work, we have taken notifications from the developing BIDs themselves.

DCLG LOAN FUND

The BID Loan Fund is an initiative funded by the Department for Communities and Local Government [DCLG] to assist with the development of new BIDs in town and city centres in England. It is clearly an essential tool for many BIDs. To date, 24 loans totalling £661,555 have been granted. The scheme is administered on behalf of DCLG by Bb. Different funding methods are available too in Scotland, Wales and Northern Ireland under different funding mechanisms.

Upon a successful ballot outcome, loans are repaid from levy receipts and, as repayments are made, further tranches of loans can be made available. Thus, over the past few years nine tranches have been allocated, with the latest tranche being allocated this year. Those successful BIDs which have received loan funding are:

TABLE 4: DCLG Loan Fund successes since inception

Abingdon	Leicester
Altrincham	Lichfield
Bermondsey	Milton Keynes
Blyth	Minehead
Burnley	Morpeth
Cheltenham	Oxted
Eastbourne	Poole
Hastings	Purley
Heart of London (Property Owner BID)	Sheffield
Hereford	Watford
Hexham	York

BALLOTS DURING THE PAST TWELVE MONTHS

The 52 BIDs which have successfully come to ballot in the past 12 months suggest that there is a growth in smaller, and different sorts of BID, although some big towns and cities like Bristol, Milton Keynes and Southampton have also come through a successful first ballot.

TABLE 4: BIDs which have come to ballot in the past twelve months

Type of BID	1st Term	2nd Term	3rd Term	Grand Total
Destination	1			1
Industrial	1	2		3
Leisure			1	1
Town Centre	22	19	5	46
Area	1			1
Grand Total	25	21	6	52

NEW BIDs

25 new BIDs came into being during the survey period.

SECOND TERM RENEWAL BALLOTS

There have been 21 successful second term renewal ballots, and two unsuccessful ones. Derby St Peters, which was only one vote away from success last year, came through a further ballot.

THIRD TERM RENEWALS IN 2016

There were six successful third term renewals in the survey period, with no failures.

FAILED BIDS

Three BIDs failed in the past 12 months, two at renewal and one for a first term and anecdotally this year has again seen an increased number of challenged BIDs.

25 **NEW BIDS** CAME INTO BEING DURING THE SURVEY PERIOD

BID LEVY RATES 2017 BIDs

The BID levy rate is the multiplier of the non-domestic rateable value by which the levy amount chargeable is worked out, and is therefore an important issue for many BIDs and their members. This does not apply in Scotland where the legislation is different and more flexible. The Industry Criteria state that up to 1% is the expected norm, with some allowances made for up to 2% in exceptional circumstances and smaller locations where rateable values are lower and therefore require a higher multiplier to achieve a viable budget.

The distribution of levy rates is a fairly flat one, with a small number of outliers; there was a concentration in previous years on the 1% levy rate with 70 (27%) of the total sample; but 1.5% is becoming increasingly used, with 72 (28%) this year, and a total of 68% of BIDs operate with a levy rate of greater than 1%, up from 64% last year.

There is also a number that charge using a banded system, with 35 BIDs (13.4%) having banded levies. The business community traditionally has not generally supported this approach, as it can be viewed as a way of concealing the actual levy multiplier.

There are four BIDs that have a levy rate above 2%. For the current survey, of 260 BIDs, 214 were using a % rate.

FIGURE 1: BID levy rates 2017 ranked by %

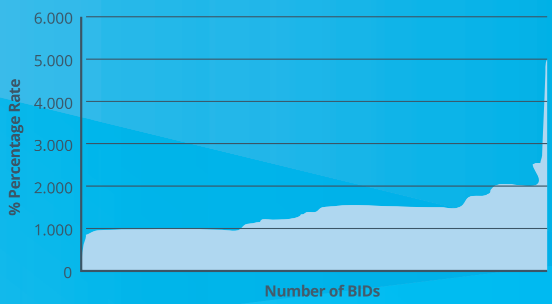


TABLE 5: % levy rates of BIDs

Numbers of BIDs in sample	260.00
Lowest level of levy	0.25
Median level of levy	1.50
Highest level of levy	5.00

TABLE 6: Distribution of levy rates for BIDs

BID Levy Rate	Number of BIDs	% of total
1%	70	26.92%
1.5%	72	27.69%
2%	22	8.46%
2%	4	1.54%
Banded	35	13.40%

ANNUAL INFLATION FACTOR

Some BIDs apply an annual inflation factor to the levy multiplier to ensure their income grows each year as their costs grow. Of the 231 either responding to this question, or making it available in their business plan, there are 61 BIDs (26%) that apply inflation to their base levy rate and 169 (73%) that do not apply an inflation factor. Of those that do, 11 (18%) use 3% annum.

TABLE 7: Use of an Annual Inflation Factor

Inflation factor	Numbers of BIDs	% of BIDs
Yes	61	26.41%
No	169	73.16%

Photo: Manor Royal

BID HEREDITAMENTS

The number of hereditaments represents the number of properties of business levy payers or voters within the BID area, based on rateable business properties on the Non-Domestic rating list.

The distribution of hereditaments for the 236 BIDs with data is shown. The majority of BIDs have below 408 hereditaments.

From the sample of 236, the typical number of hereditaments falls between 263 and 578, with 14 BIDs falling above 800 and eight with over 1000 hereditaments. Both these figures are larger than last year, suggesting that some BIDs are getting larger, although the median last year was 433 and is lower by 15 hereditaments.

The total number of hereditaments across all BIDs in the survey is 106,262; last year the figure was 78,549, so there has been some 36% growth, although some of this will also be due to better data collection.

FIGURE 2: Number of hereditaments in individual BIDs

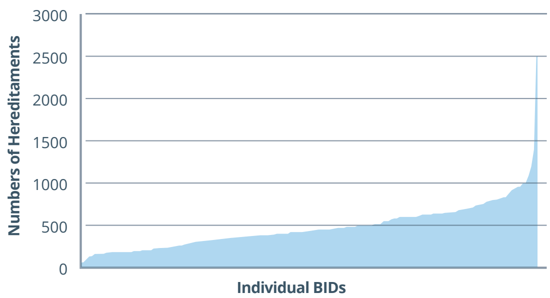


TABLE 8: % Levy rates of BIDs

Some measures of hereditaments in BIDs	
Number of BIDs	236
Lowest number of hereditaments	41
Median number of hereditaments	408
Highest number of hereditaments	2,500
Total hereditaments	106,262

BID TERMS

BID legislation allows a maximum term of five years and from 197 responses all these BIDs now operate on a five-year term.

BID THRESHOLDS

The threshold is a rateable value level below which hereditaments are not charged a levy. The two main purposes of a threshold are to ensure that small businesses are not required to pay small sums of money and at the same time making sure that each business' levy collection costs are never greater than the levy itself; this therefore exempts them from the levy whilst still ensuring they benefit from the services.

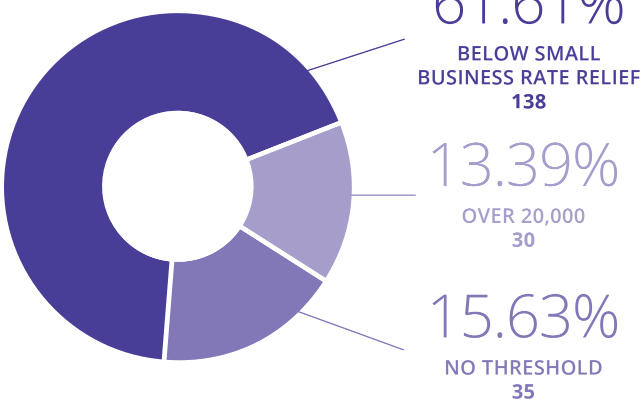
From the sample of 224 BIDs the distribution of thresholds is flat, mirroring the various collection costs across the sector, with 16% having no threshold, the lower quartile being £5,000, the median figure being £7,500 and then peaks for the larger BIDs. Many BIDs aim to ensure that no levy payment is less than the cost of collection, many others [61%] keep their threshold at or below the level of the current government Small Business threshold rate relief figure of £12,000. The Small Business rates relief is handled differently in England, Wales and Northern Ireland with the relief in Scotland applying at £15,000.

At the top end, several London BIDs have a threshold of over £100,000; and one has a threshold of £250,000.

This is an area of importance for many BIDs as they come to ballot. Clearly it is tactically valuable to keep the BID population small and with high levels of levy income so that the process of campaigning is simple and cost effective. At the same time, BIDs are about a business community where all are involved and represented.

TABLE 9: Threshold measures

	Amount £
Lowest threshold	100
Lower quartile	5000
Median threshold	7500
Higher quartile	11812
Highest threshold	250000



BID LEVY DISCOUNTS: CHARITIES

Some BIDs opt to give charities a discount on their levy, although this is becoming less prevalent over time and especially in relation to discounts on trading charity shops.

Of the 129 responses, 91 (70%) provide no discount of any kind; the others provide some level of discount, with some 6% providing a full discount. 4% of the BIDs specify that charity shops – that is those acting as retail outlets - are excluded from their discount rule.

TABLE 10: Charity discounts

Charity discounts	Number	%
No discount	91	70.54%
Partial discount	30	23.26%
Full discount	8	6.20%

Photo: Ipswich

4 **BID** FINANCES

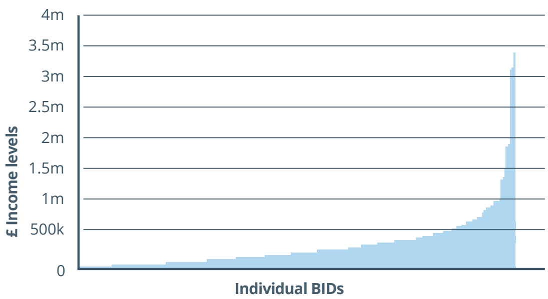
THERE ARE
15 BIDS WITH A
LEVY INCOME
OF OVER

£1M

LEVY INCOME

The BID levy income is the income collected directly via the mandatory BID levy and does not include any additional income. From the sample of 261 BIDs in this part of the study, the total BID levy income chargeable across the UK as at the survey date of 4 August 2017 is £99,971,741, although it is clear how varied the BID income is.

FIGURE 4: BID annual levy income 2017



The measures of the various income levels of BIDs show a wide range:

TABLE 11: Income levels for BIDs

Total BIDs in survey	261
Lowest income	£22,000
Median income level	£255,000
Mean income level	£384,507
Maximum income level	£3,800,000
Total income	£99,971,741

There are 15 BIDs with levy incomes over £1million; all are in the key cities, where rateable values and thus income is higher.

MEAN LEVY PER HEREDITAMENT

Although it is a very hypothetical figure, from the data it is possible to identify the average levy per hereditament in the survey; with 106,262 hereditaments raising £97,767,322, the average income is £940.80 per hereditament.

TABLE 12: BIDs with levy income over £1m a year

BID	Annual levy income £
London New West End	3,800,000
London New West End (Property BID)	3,200,000
Ireland Dublin	2,806,866
London Inmidtown	2,280,000
Leeds	2,000,000
Newcastle	1,950,000
London Bankside	1,608,500
Wales Cardiff	1,460,460
London Victoria	1,446,819
Bristol City Centre BID	1,152,000
Milton Keynes	1,111,959
Northern Ireland Belfast	1,100,000
London Fitzrovia	1,100,000
Nottingham	1,080,000
London Baker Street	1,012,500

THE LARGEST ANNUAL LEVY INCOME IS

£3,800,000

LONDON NEW WEST END

ADDITIONAL INCOME

BIDs were asked to identify any additional income, that is a contribution made to the BID over and above the levy income. There is a variety of sources for such income and the report tries to identify some of them.

LANDLORD CONTRIBUTION

BIDs were asked to identify any contribution that landlords had made during 2016/17 and 29 BIDs received a total of £672,718 during the year, although 92 received nothing.

TABLE 13: Landlord contribution

Landlord contribution	
No contribution	£92
Some contribution	£29
Median contribution	£16,000
Highest contribution	£10,500
Total contribution	£672,718

ADDITIONAL INCOME

BIDs were asked to identify all additional income, that is a contribution made to the BID over and above the levy income. The data asked for was the amount in £s received into the BID bank account in 2016/17 over and above the BID levy. Out of 127 BIDs,100 (78%) BIDs recorded additional income and the amounts are shown on the table. Most were moderate but there are a few very large amounts.

ADDITIONAL INCOME ACROSS ALL BIDS

The lowest quartile of additional income is £2,000 and the highest £1.3m; the total additional income is £7,973,578 amounting to 7.9% of BID income across the country.

TABLE 14: Additional income for BIDs

Number receiving additional income	100
Lower Quartile	£2,000
Median	£24,100
Highest	£1,305,000
Total	£7,973,578

There are 23 BIDs in the survey that show more than £100,000 per annum additional income, and five who received over £250,000.

TABLE 15: BIDs with over 100k and 250k additional income

Extra income	No of BIDs
Over £100,000	23
Over £250,000	5

IN-KIND SUPPORT

The matched funding reported by BIDs is the value of support through various means that does not come via direct cash but instead pro bono support, or in-kind support, such as free office space or venues; staff support from secondments, staff volunteers; marketing, design and events support; advertising value; free accounting and legal support; and levy collection service provided free of charge.

TABLE 16: In-kind support for BIDs 2017

Total BIDs	
Lowest	**£810**
Median	**£10,000**
Highest	**£203,000**
Total value	**£912,266**

Again, this amounts to an important input into many BIDs, with 50 BIDs receiving in-kind support of some sort, and five BIDs receiving more than £50,000 in-kind contribution. The total of matched funding reported in the survey this year was £912,266; a reduction from the £2,594,858 from across the 62 BIDs. This may be a response to the increased levy income and professionalisation of BIDs in general or it may be merely a vagary of data collection this year.

Photo: Watford

LEVERAGE LEVELS

Leverage is the amount by which a BID manages to increase its own levy income by gaining extra funding from all other sources; this level of direct additional income compared to actual levy income is not large but it shows 14 BIDs achieving a leverage ratio of more than 1:0.5; that is, they earned by other means 50% more than their levy income and one BID leveraged nearly 1.5 times its levy income and most BIDs leveraged 11% more income than their levy.

TABLE 17: Leverage level measures

Leverage levels	%
Lower Quartile	0.80%
Median	11.40%
Upper Quartile	29.30%
Highest	143.90%

INWARD INVESTMENT INCOME

Beyond the direct additional income, BIDs are invited to report on investment income, which is financial investment in their location that did not go directly through their bank account but is as a direct result of catalytic activity of the BID.

A total of 33 BIDs reported investment income as a direct result of their BID activity, although others recognised investment has been achieved but is very difficult to quantify. Swansea BID succeeded in gaining a major £1.3bn City Regions Deal, but this has not been added to some of the data as it skews it too much.

TABLE 18: Measures of inward investment

Number of BIDs	33
Lowest investment	£7,000
Median investment	£88,400
Highest investment	£5,700,000
Total investment	£22,361,472

In terms of total figures, the total investment income is £22,361,472.

TABLE 19: Largest investment incomes notified in survey

The Top Inward Investment BIDs	£
BID4Oban	1,000,000
Mansfield	1,000,000
Winsford Industrial Estate	1,500,000
Southport BID	2,000,000
Embrace Elgin	3,730,000
Colmore BID	4,660,000
Plymouth City Centre Company	5,700,000
Swansea BID	1,300,000,000

TOTAL BID FUNDING

Summating the totality of BID levy funding, additional funding, investment and in-kind funding gives a figure of £131,219,057 as the total UK contribution from all BIDs, with a leverage factor of 0.31, that is BIDs in total increased the income into their community above their own levy income by 31%.

TABLE 20: Measures of total BID funding

	Levy income	Additional income	In-kind contributions	Inward investment	Totals
Lowest	£22,000	£0	£4,500	£50,000	£76,500
Lower Quartile	£133,750	£2,000	£10,000	£88,400	£234,150
Median	£255,000	£24,100	£27,500	£350,000	£656,600
Mean	£384,507	£62,784	£23,391	£677,620	£1,148,303
Upper Quartile	£466,313	£79,840	£27,500	£350,000	£923,653
Highest	£3,800,000	£1,305,000	£203,000	£5,700,000	£11,008,000
Total	£99,971,741	£7,973,578	£912,266	£22,361,472	£131,219,057

5 **BID** LEVY COLLECTION

LEVY COLLECTION RANGES FROM

£200

£44,900

LEVY COLLECTION CHARGES

The levy collection charge is the sum of money charged by the local authority to the BID for the service of collecting the BID levy. The BID Regulations allow for a reasonable charge to be made for this service and the details of this service should be set out in an operating agreement between the two parties.

The sample size for this data set is 148 BIDs and of those, 32 (21%) have no collection charge made to them by their local authority. Of the remainder, the levy collection cost can be presented as three different figures for each BID – the total costs, the cost per hereditament and the costs as a % of income.

For each of these three ways of analysing the data some measures of variation and distribution are shown.

TOTAL COST OF COLLECTION

The figure for the total cost of collection is the least useful, but is shown here for completeness. The total cost of collecting the BID levy across the country, for 128 BIDs is £1,055,125, with a median of £10,000 per BID. This amounts to 1.06% of total sector income.

TABLE 21: Levy collection costs for BIDs

Measure of Levy collection costs	£
Lowest	£200
Lower Quartile	£5,200
Median	£10,000
Upper Quartile	£14,800
Maximum	£44,900

21% OF BIDS PAY NO COLLECTION COSTS AT ALL

COST PER HEREDITAMENT

However, a more useful method for comparing collection charges is by calculating the unit cost per hereditament. Thus, the levy cost is divided by the number of hereditaments in each BID, to give a figure currently ranging from £0.44 to £103 per hereditament, for the 90 BIDs with data.

The median figure – that which 50% of BIDs are under - is £20.51 per hereditament.

TABLE 22: Levy collection costs per hereditament

Levy collection costs per hereditament	£
Lowest	£0.44
Lower quartile	£13.40
Median	£20.51
Upper quartile	£28.41
Maximum	£103.05

Ten BIDs have levy collection costs of over £50 per hereditament, but seven of those were in London where costs for most supplies and services are on the whole much higher. It seems clear from the data that some BIDs are paying large amounts for their levy collection. Anecdotally this is primarily due to charges from commercial intermediaries who local authorities are using to manages their financial services and collect their rates and other income. We will investigate this further next year.

COLLECTION COST AS A % OF LEVY INCOME

A final method of comparison shows the collection cost as a % of the levy income collected. Some BIDs are indeed charged by their local authorities in this fashion. The data suggest that 50% of all BIDs have costs of less than 3.26% of their levy income to collect their levy, but 48 BIDs are above the Industry Criteria guidance, with levy collection costs over 3%; 23 BIDs pay over 5% and 3 BIDs pay over 10% of their levy income to collect their levy.

TABLE 23: Levy collection costs as % of levy income

Levy collection costs as % of levy income	
Lowest	0.56%
Lower quartile	2.57%
Median	3.26%
Upper quartile	5.15%

Photo: Sutton

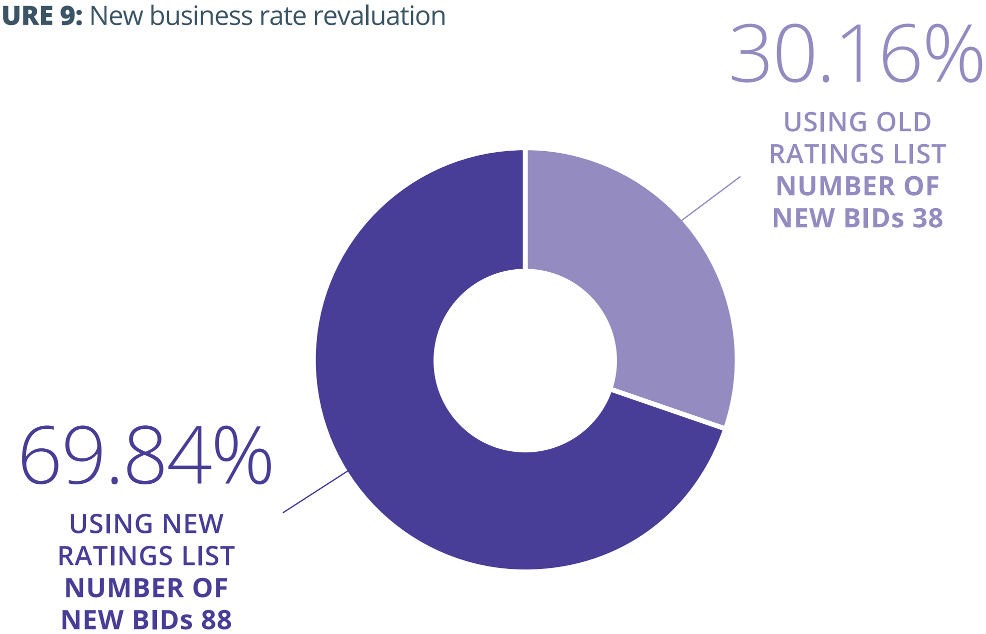
REVALUATION OF BUSINESS RATES

A major business rates revaluation came into effect on 1 April 2017, following a re-assessment of all business properties in England, Scotland and Wales based on rental value as at 1 April 2015. It has been a full seven years since business rates were last assessed, increasing the difficulty in predicting individual bills, and thus planning BID income from these new valuations.

Valuation Office Agency sent out statutory questionnaires to ratepayers seeking information about businesses during 2016, and the new rates are now being appealed across the country by many businesses. Some BIDs will use the new data whilst others will remain with the old lists until their renewal ballot and new business plans, or the appeals systems is completed.

Nonetheless, 69.84% of BIDs are using the new lists as their local authorities sent out their levy bills, 30.16% are not and will catch up later.

FIGURE 9: New business rate revaluation



6 **BID** BALLOTS

THE SUCCESS RATE FOR **BALLOTS** ACROSS THE UK AND IRELAND FROM INCEPTION IS CURRENTLY

92.8%

BID BALLOTS

BIDs are established by ballot; each BID must gain a majority of the votes cast, as well as a majority of the Rateable Values (RV) of all those businesses on the non-domestic rates list for each BID area. The relevant local authority, or its nominated agent, runs the ballot neutrally; in order to continue beyond each term, a renewal ballot is also required.

As of this survey date of August 2017, the success rate for 472 ballots across the UK and Ireland from inception was running at 92.8%, with a total number of successful ballots of 438, and a failure rate of 7.7%.

The ballot criteria in Scotland require four criteria to be achieved; the turnout must be greater than 24% by RV and number of voters, and approval must be greater than 50% by ballot and RV.

The data from the current British BIDs Ballot Watch, showing ballot turnout, average majority and average majority by RV for 283 BIDs over the decade suggests that thus far for each term, the turnout, and both majorities have improved.

TABLE 24: Ballot results for British Isles BIDs 2010-2017

Row Labels	Number of BIDs	Average of Turnout (%)	Average In favour by RV (%)	Average In favour by number (%)
1st Term	161	44.90	76.40	74.10
2nd Term	89	49.30	78.90	73.40
3rd Term	33	51.20	84.40	82.20
Grand Total	283	47.20	78.20	74.90

FAILED BALLOTS

However, the number of no votes is still fluid with three failed ballots in the survey year and an estimated 34 failed in total. Of course, many BIDs that fail initially come through to success, with 11 failed BIDs thus far apparently not yet coming through to success, although data is not easy to obtain on some of these BIDs.

TABLE 25: Ballot failures over time

Year	Failed Ballots
2011/12	11
2012/13	6
2013/14	5
2014/15	3
2015/16	6
2016/17	3
TOTAL	34

7 **BID** MANAGEMENT & GOVERNANCE

DATA FROM **127 BIDs.**
THE STAFF EMPLOYED BOTH FULL TIME AND PART TIME TOTALS

400

BID MANAGEMENT TEAMS

STAFFING

The staffing levels of BIDs vary widely, as one would expect from organisations so varied in income and service provision.

From the data from 127 BIDs, the staff employed totals 400 both full time and part time staff; 9 BIDs employed apprentices in a range of roles, primarily administrative, and 90 [70.3%] BIDs used consultants in a whole range of roles and indeed 26 [20.3%] BIDs were managed entirely by non-salaried external consultants.

TABLE 26: Levels of staffing in BIDs

Staffing levels	FULL-TIME	PART-TIME
Total Staff	270	130
Lowest staffing level	0	0
Median staffing level	1	1
Highest staffing level	18	5

A total of 89 (70%) BIDs operate with three or fewer full time staff, and 66 BIDs [52%] operated on fewer than 3 full and part-time staff. One noticeable shift this year has been the increase in external staffing providers in operational roles

TABLE 27: Staffing levels in BIDs

Staffing levels	No of BIDs full-time staffing levels	% of BIDs	No of BIDs full and part-time staffing levels	% of BIDs
Fewer than 3	89	70%	66	52.00
More than 3 fewer than 5	22	17%	42	33.00
More than 5 fewer than 10	15	12%	22	17.00
More than 10	1	1%	3	2.00

APPRENTICES

We were interested last year in the use of apprentices, and this has declined to only 7% as apprentices become slowly replaced with the new Graduate Apprentice scheme; the figures may increase in the future as the new scheme expands.

TABLE 28: Use of apprentices

Use of Apprentices	Numbers of BIDs	% of BIDs
Yes	9	7.20%
No	116	92.80%

TABLE 29: External staffing providers

Use of external staffing providers	Number of BIDs	% of BIDs
YES	90	72.00%
NO	35	28.00%

EXTERNAL STAFFING PROVIDERS

Consultants, including staff permanently working for the BID but not on payroll, are used by 90 BIDs [70%]; this includes staff working in security, marketing, and general operational activities including rangers and other staff.

BID BOARDS

BID Boards are becoming an increasingly important part of the BID community as issues of governance and transparency rightly come to the fore, and governance matters are key parts of the Industry Guidelines[4]. The data shows that there are 1,660 members of BID Boards across the country, whose task is to ensure that each BID is governed according to the normal rules of good corporate governance.

COMPOSITION

From the data of 130 BIDs it is evident that there is a wide spread of BID Board size and composition, with no typical size.

The balance between Directors and Observers also varies across BIDs, with most having 10 directors and three observers, whilst some have up to 22 members on their Board.

TABLE 30: BID Board compositions

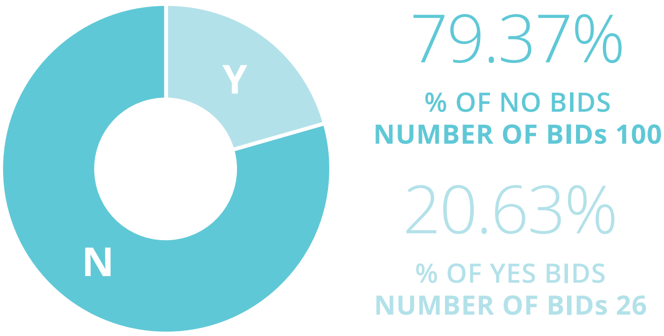
	Directors	Observers
Lower quartile	7	2
Median	10	3
Upper quartile	13	4
Largest Board	22	8
Total Board members	1271	389

[4] Industry criteria and guidance notes for BIDs. British BIDs, 2016.

FULLY MANAGED BY CONSULTANTS

One growing trend is for BIDs to be fully managed by external consultants, thus saving direct staffing costs and ensuring a wide range of expertise that can be called up. This was not asked in previous years but the data is interesting. 26 BIDs, some 20% of the sample, were managed in this fashion and it will be interesting to see if BID Boards continue this trend in the future.

FIGURE 10: Managed by consultants



LOCAL AUTHORITIES

Of the 126 BIDs responding to this question, 21 reported no local authority representation on the Board; 105 [81%] of BIDs had local authority representation on their Boards.

TABLE 31: Local authority involvement on Boards

Local authority representation on Boards	
Yes	105
No	21

76 BIDs reported on the specific numbers; most had one local authority director, along with an observer, who was usually an officer. Some BIDs had as many as four local authority directors, whilst others had up to four observers; in all 170 individual local authority representatives took up positions on the 76 BID Boards who responded.

TABLE 32: Measures of local authority representation

Local authority representation	Directors	Observers
Lower quartile	1	1
Median	1	1
Upper quartile	2	2
Largest Board	4	4
Total Board members	107	63

PROPERTY OWNERS

Of the 124 BIDs responding to this element of the survey, 75 [60%] reported having property owners involved in their Boards.

As many responses suggest, the figure is probably higher than the data shows; some BIDs have included their shopping centre representatives as owners but others don't, and some Board members own their business properties, similarly local authority representatives are not often recognised as property owners. BIDs are becoming aware of these differences and are articulating them in their responses.

The median number of property owners on Boards was one; thus, of the 78 Boards reporting the data, over 50% had at least one property representative.

There were 140 property owners on Boards as directors and nine as observers, and the highest number on any Board was 11. There were three BIDs with five or more property owners on their Boards. The total of 177 amounts to 11% of Board members across the country.

FIGURE 11: Property Owners on Boards

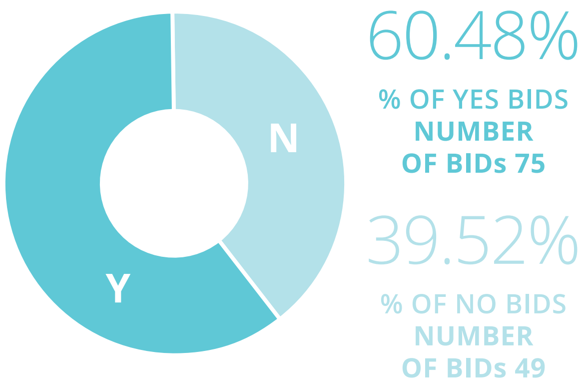


TABLE 33: Property owner representation

Property owner representation		
Lower quartile	1	1
Median	1	1
Upper quartile	2	1.75
Largest number on a Board	11	3
Total property owner Board member	140	9

GENDER AND DIVERSITY BALANCE OF BOARDS

We were interested this year in the gender and ethnic diversity of Boards. It seems that Boards are starting to address the issue of gender in their makeup, with the median number of women on Boards being three, and 389 women Board members across the across the country; although this still only amounts to 30% of all BID Board members.

On the matter of ethnic diversity, many of the responses from 84 responding BIDs identified policies and advice that they were responding to but only 26 BAME directors were specifically identified.

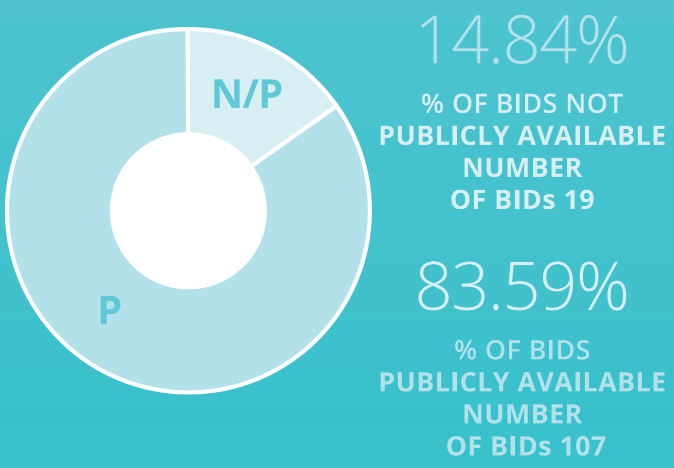
TABLE 34: Number of women on BID Boards

Lower quartile	2
Median	3
Upper quartile	4
Largest Board	8
Total Board members	389
% ACROSS ALL BIDS	30.61%

ANNUAL ACCOUNTS

The public provision of annual accounts is a vital part of good corporate governance. Of the 128 BIDs with data, 107 [83.5%] make their accounts publicly available.

FIGURE 12: Publicly available accounts



8 BID POLICY MATTERS

PERCENTAGE OF BIDS WITH A BASELINE STATEMENT IS CURRENTLY

84%

BID POLICY MATTERS

There are a number of policy matters with BIDs involvement and the survey focused on five of them: baseline services, the transfer of services from local authorities, the role of Tourism BIDs, the growing importance of Neighbourhood plans, Property Owner BIDs, late night levies, and a possible review of BIDs by the DCLG.

BASELINE SERVICES AND STATEMENTS

Most BIDs develop agreements with their local authorities and other public services such as the police, in order to ensure levels of service, which the BID will then augment rather than replace. These baseline statements are vital pieces of the BID ballot process. 145 [84%] BIDs in this section had such statements, but surprisingly 27 [15%] did not, meaning that there is an issue of non-conformity here.

FIGURE 13:
BIDs with baseline statements

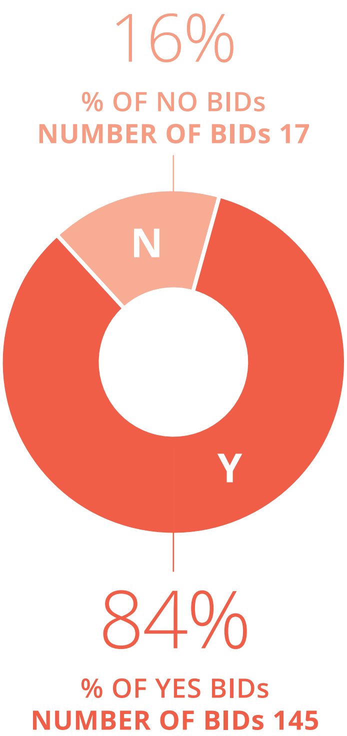
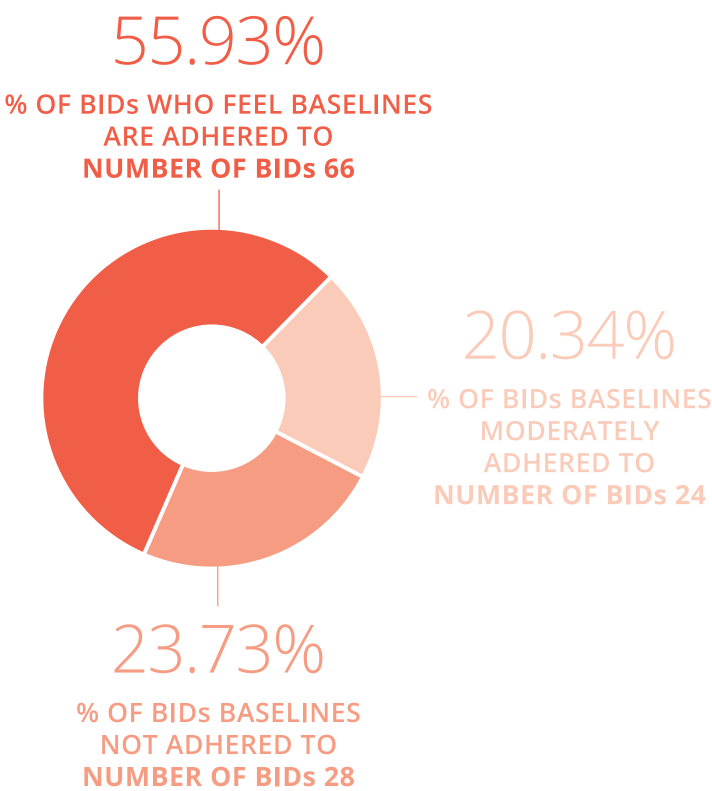


FIGURE 14:
How far baselines are being adhered to

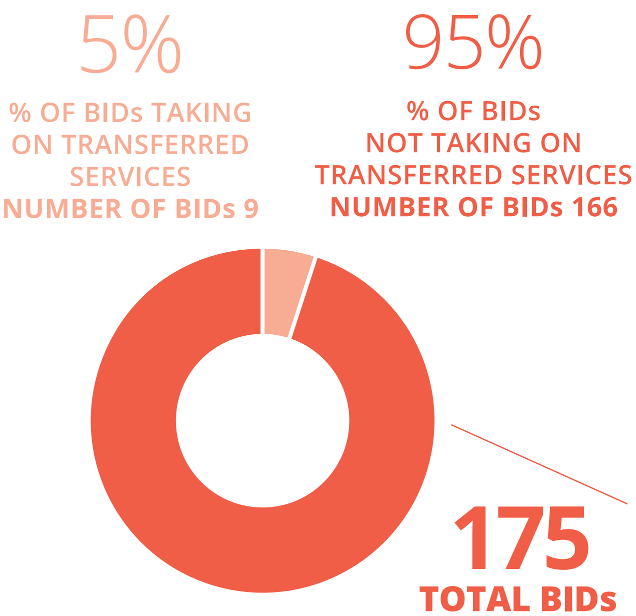


On the matter of adherence, there was a sense of 'slippage' with 28 [23%] BIDs feeling that baseline statements were not being adhered to out of a population of 118, with a further 24 feeling that there was a moderate adherence. Nonetheless, 55.9% felt that they were still being adhered to in difficult circumstances for many local authorities.

TRANSFERRED SERVICES

In recent years, as public-sector finances reduce and BIDs are becoming recognised delivery models there has been increasing discussion about both the pressure on baseline agreements and the possibility of transferring services from the public sector to BIDs. On the matter of transferring services, in the last two years, nine [5%] BIDs out of 175, have already taken on transferred services, suggesting a nervousness in taking over some local authority activity.

FIGURE 15:
Existing transferred services



OF THESE RESPONSES, 30 BIDS EXPRESSED AN INTEREST IN RUNNING SERVICES IN:

CLOSED CIRCUIT TV
LIBRARIES
CLEANING
ENFORCEMENT AND LICENSING
STREET TRADING AND MARKETS
PARKS
PLANTING
PUBLIC OPEN SPACES
TOURISM
EVENTS
CHRISTMAS ACTIVITIES

Most of the responses involve taking responsibility for some elements of Christmas lights and hanging baskets, street cleaning, graffiti removal, public toilets, marketing and events, and Purple Flag.

Nonetheless, on whether they are considering taking on transferred services in the future, a total of 30 BIDs [19.3%] from 157 confirmed they were considering some type of service transfer.

TABLE 35: BIDs considering service transfers

Planning to transfer services		
Yes	30	19.00%
No	127	81.00%
Total	157	100.00%

LATE NIGHT LEVY

Late Night Levies only apply in England and Wales and have been a concern for BIDs and clearly, they are having an impact but only in a few places; 11 already exist and five are being considered. Only 2.81% of the 178 BIDs responding had a Late Night Levy and BIDs seem to be providing all the needs that the levy plans were imagining.

TABLE 36: Late night levy impact

Late Night Levies	BIDS	%
Yes	5	2.81%
No	162	91.01%
Exists	11	6.18%
Total responses	178	

NEIGHBOURHOOD PLANNING FRAMEWORK

The National Neighbourhood Planning Framework was published by Government in 2012 following the Localism Act 2011 and introduced the concept of Neighbourhood Planning in England.

The legislation suggests that "Neighbourhood Planning provides a powerful set of tools for local people to ensure that they get the right types of development for their community where the ambition of the neighbourhood is aligned with the strategic needs and priorities of the wider local area"[5].

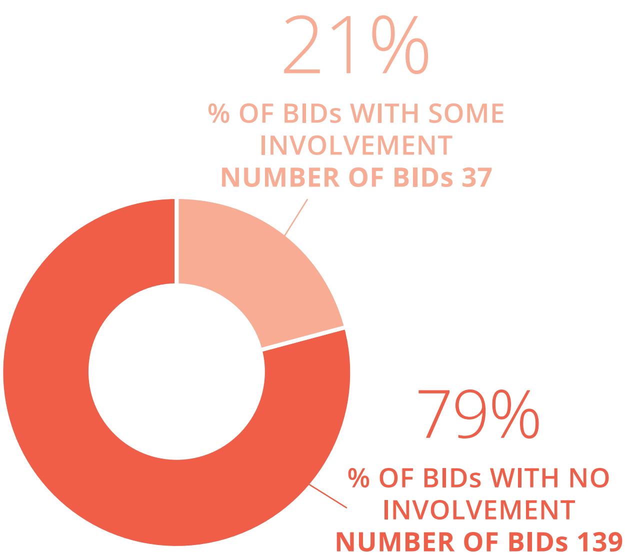
Thus far, across the country, more than 335,000 people have voted in 288 Neighbourhood-Planning referenda, primarily in smaller rural residential communities and the outcomes have resulted in 272 plans agreed[6]. The outcomes have primarily been weighted to rural areas, overwhelmingly led by town and parish councils, weighted to more affluent areas, with some additional housing allocations (circa 10%).

BIDs are already considered an appropriate qualifying body and the first business-led referendum was successful in central Milton Keynes last year[7] where there is also now a BID.

Due to the gradual take-up of this concept across the UK, the survey introduced a question around Neighbourhood Planning last year and asked again this year for any activity happening in relation to Neighbourhood Plans in their areas. It is clear that interest and involvement is increasing, but very slowly and marginally and the ambitions of some business led activity has not come to fruition, possibly because of the expense, the time and energy and concerns over moving away from core BID business.

From the survey responses of 176 over the past two years, a total of 37 reported some involvement in Neighbourhood Planning within their area.

FIGURE 16:
Neighbourhood plans



Some of the Neighbourhood Plans are clearly well-defined plans that are moving to the approval and indeed referendum stages; these plans are now spreading across the country and will clearly have an impact on BIDs.

[5] http://planningguidance.communities.gov.uk/blog/guidance/neighbourhood-planning/what-is-neighbourhood-planning/
[6] http://www.rtpi.org.uk/media/2240583/chris_balch.pdf
[7] https://www.milton-keynes.gov.uk/planning-and-building/planning-policy/central-milton-keynes-neighbourhood-plan

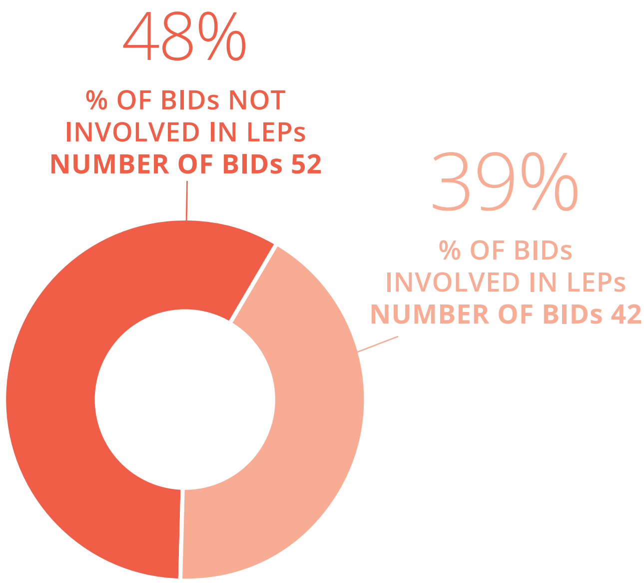
Photo: Swindon

LOCAL ECONOMIC PARTNERSHIPS

The role and remit of Local Enterprise Partnerships [LEPs] has grown significantly and rapidly since 2010 and there are now 39, covering all English, non-London BIDs[8], but not those in Scotland. The government in England has encouraged the establishment of LEPs as private sector-led strategic partnerships which determine and influence local growth priorities. With the advent of the Local Growth Fund, the amount of central government funding received by LEPs is projected to rise to £12 billion between 2015-16 and 2020-21 via locally negotiated Growth Deals.

It is clear that BIDs are becoming increasingly involved in LEPs, with 39% signalling some involvement. Nonetheless, they almost all find such involvement complex and lacking in focus, particularly as most LEPs are focusing on major strategic projects.

FIGURE 17: BIDs and LEPs



PROPERTY OWNER BIDs

Property Owner BIDs have been very much in the news, following the models articulated in the USA, most of the EU and Scotland in 2006. The provisions for Property Owner BIDs for the rest of the UK at primary legislation level were incorporated into the Business Rate Supplement (BRS) Act 2009. This allowed for Property Owner BIDs, but only where a BRS and an occupier BID were already in existence. This meant that Property Owner BIDs in England were only applicable in London (where the only BRS exists). This has enabled invaluable testing of the model through its introduction by the Heart of London Business Alliance and the New West End Company.

In February 2017, the first draft of the Local Government Finance Bill (2017) was published and included the proposal that Property Owner BIDs should be extended to all areas within England. This would be achieved through the removal of the requirement for a BRS to be in place. The requirement for there to be an existing BID funded by occupiers remains.

However, the Government has no clear plans yet on timing or content for a Local Government Finance Bill. As a result, the current plans to introduce Property Owner BIDs across England cannot go ahead at this time. They do confirm that Ministers remain committed to local government taking greater control of their income, as outlined in the Manifesto, and we will continue to work with the Department as the implications for Business Rate retention become clearer.

The survey this year asked a specific question on Property Owner BIDs, and 24 BIDs were interested in taking them forward and will be watching developments.

TABLE 37: Property Owner BIDs and their impact

Will Property Owner BID legislation have an impact?		
Yes	24	22.00%
No	83	78.00%
Total responses	107	100.00%

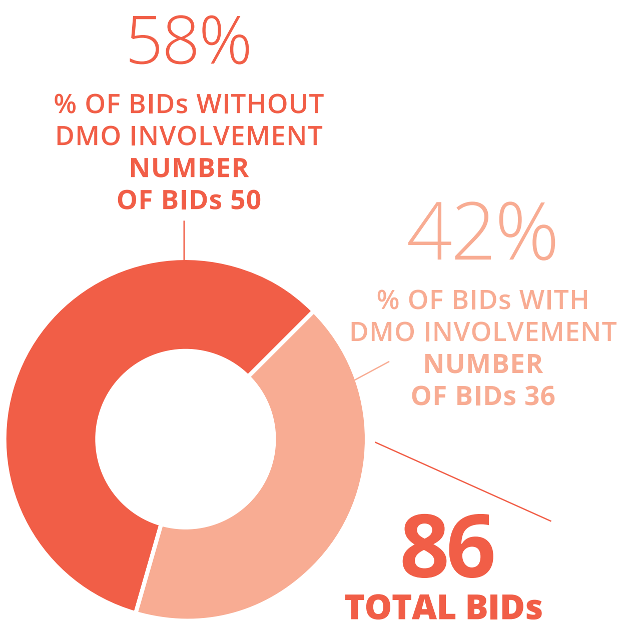
[8] http://www.lepnetwork.net/the-network-of-leps/

DESTINATION MANAGEMENT ORGANISATIONS

Destination Management Organisations (DMOs)[9] play a key role in developing tourism locally; destinations are the places that people want to visit and experience; they are the heart and soul of England's visitor economy and because they are diverse they don't always fit neatly into county (or national) borders or within public sector administrative boundaries. They may cover a single destination, e.g. Oxford, or a number of smaller destinations with a strong identity caused by its natural geography or landscape well-known in its own right, e.g. the Cotswolds.

Many BIDs are closely involved with their DMO, others less so, others actually manage the local DMO. Loch Ness and Inverness TBID emerged from the original DMO. Of the 99 BIDs responding to the question 36% were involved their local DMO in one form or another and expect to see growth in this activity. Others were surprised that a DMO had not yet evolved in their area and would be looking to stimulate interest.

FIGURE 18:
DMO involvement



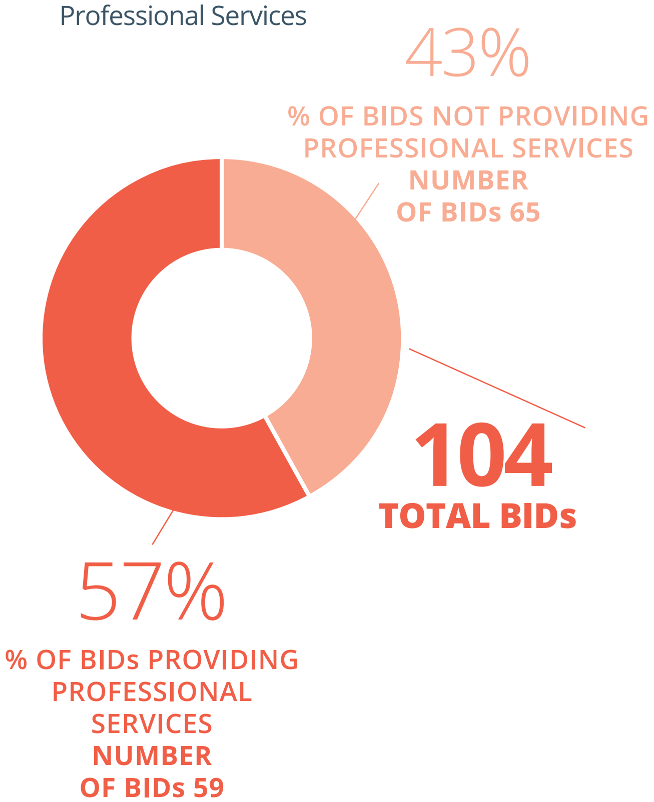
SERVICE AND PROFESSIONAL SECTOR SUPPORT FROM BIDS

A new question that was suggested by a number of BIDs in the development of this year's survey was the level of specific support by BIDs for non-retail activity. It is clear that many BIDs are starting to focus on their service industries as it becomes clearer how vital they are to the health of the high street.

Work from the Centre for Cities has shown how "the fortunes of the High Street are dependent on the fortunes of the wider centre in which they are based. The debate must be about jobs and city centres, not just about shops and High Streets". They suggest that more than one third of jobs are in knowledge intensive service activities, such as finance, law and marketing and many of the highest skilled and best paid industries – which have been critical sources of jobs growth in recent years - prefer to locate in city centres[10].

The responses to the survey support this thinking, with 53% of respondents providing support for their service and professional sector levy paying members. Much of this was in the areas of utilities cost reduction – waste, power, recycling; but some was in the areas of free wireless and Wifi support [two BIDs], and broadband provision [nine BIDs].

FIGURE 19:
Professional Services



[9] https://www.visitbritain.org/destination-management-organisations-england
[10] Centre for Cities. Beyond the High Street 2013.

Photo: Norwich

DEPARTMENT FOR COMMUNITIES AND LOCAL GOVERNMENT REVIEW

The Government has not completed its review of BIDs in England, which it started in 2015. Thus, we were interested in whether there were any key issues that should be raised with DCLG for BIDs in England and asked for any general comments.

107 BIDS DID INDEED RESPOND, WITH COMMENTS INCLUDING:

- LONGER TERM LENGTHS
- MINIMUM TURNOUTS AT BALLOTS
- ELECTRONIC VOTING
- LINKS WITH LEPs AND LOCAL AUTHORITIES
- LOCAL AND NATIONAL GOVERNMENT SUPPORT AT THE BALLOT
- IMPACT OF RATES RETENTION, RATEABLE VALUES AND BUSINESS RATE REVIEW
- INFRASTRUCTURE SUPPORT
- GREATER EMPHASIS FOR AGENTS & SOLICITORS TO MAKE IT CLEAR THAT THE PROPERTY IS WITHIN A BID AREA
- SERVICE LEVELS
- BUSKING, A-BOARDS, BEGGING LEGISLATION, ANTI-SOCIAL BEHAVIOUR ORDERS
- PLANNING CONSENT CHANGES
- GREATER SUPPORT FOR INDUSTRIAL BIDS

These will be brought together into a single paper and submitted to the Department for Communities and Local Government in the next few months by British BIDs.

As BIDs are a devolved matter, it is worth noting that they are handled differently in Scotland, Wales, Northern Ireland and Ireland.

INNOVATIVE PLACE PROJECTS

As ever the National BID Survey asked BIDs to put forward particular new and innovative projects in place management and place marketing. 33 were submitted and many them were in the area of new technology, festivals, music events and street markets. Some specific projects focused on gull control, supporting and working with the disadvantaged and the living wage.

9 INDUSTRIAL **BIDS**

TOTAL NUMBER OF
INDUSTRIAL BIDS
IN THIS SURVEY

27

INTRODUCTION TO INDUSTRIAL BIDS

There are 27 industrial BIDs in the survey, with the majority in their second term, and their levy rates are slightly higher than town centres, as their hereditament numbers and averages are lower than town centre BIDs. Of the 27 industrial BIDs in the survey 12 have banded levy rates.

TABLE 38: Numbers of industrial BIDs

Terms	Number of BIDs	Total no. of hereditaments	Average of no. of hereditaments	Average of BID levy (%)
1st term	7	972	194	1.10
2nd term	17	2949	173	1.70
3rd term	3	672	224	1.60
Grand total	27	4593	184	1.50

INDUSTRIAL BID BALLOTS

On the whole, ballots for industrial BIDs have steadily improved by way of those in favour, although there was a slight dip in turnout average for third term ballots.

TABLE 39: Industrial BID ballots

Row labels	Numbers of BIDs	Average turnout (%)	Average in favour by number (%)	Average in favour by RV (%)
1st term	7	43.3	73.9	75.70
2nd term	17	55.4	80.7	85.90
3rd term	3	52.0	85.3	88.00
Grand total	27	51.4	79.4	83.20

This leaves the current cohort of industrial BIDs at 27.

GROWTH RATE OF INDUSTRIAL BIDs

Despite a strong growth of industrial BIDs in the early years, the growth in recent years continues to slow, with again only one new BID this year.

TABLE 40: Growth of industrial BIDs 2013-16

Year	New BIDs	
2013-14	3	Sheffield Lower Don Valley;
Cornwall Newham; Manor Royal	17	85.90
2014-15	2	Marlow Globe Park, Ferndown & Uddens
2015-16	1	Beddington
2016-17	1	West Chester

LEVY RATE OF INDUSTRIAL BIDs

Levy rates for industrial BIDs range from 1-3%, although the mean and upper quartile are higher than town centre BIDs. Within the sample of 27 industrial BIDs, there are 12 that operate with a banded system and one BID has a variable rate charging two different levels of levy within their area.

TABLE 41: Measures for industrial BID levy rates

Levy rates	%
Lower	1.00
Median	1.12
Highest	3.00

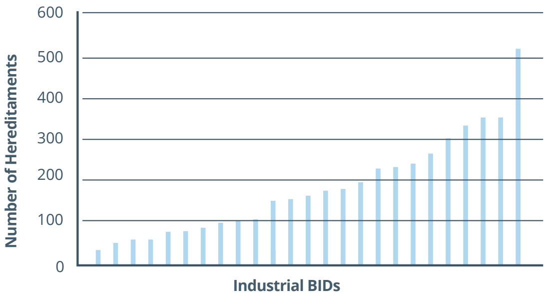
HEREDITAMENTS OF INDUSTRIAL BIDS

Industrial BIDs by their very nature are smaller, with the number of hereditaments or units ranging from 41-511 within the 26 industrial BIDs with available data.

TABLE 42: Numbers of hereditaments in industrial BIDs

Hereditaments in industrial BIDs	Number
Lowest	41
Median	159
Highest	511
Total	4593

FIGURE 20: Numbers of hereditaments in industrial BIDs



The total number of hereditaments across the sample of 26 industrial BIDs is 4,593.

Photo: Newham

LEVY INCOME OF INDUSTRIAL BIDS

From the sample of 26 industrial BIDs, the total annual levy income is £3,489,416. The smallest levy income is £29,000 and the highest is £424,447.

TABLE 43: Industrial BID levy income

Levy income	£
Highest	£424,447
Lower	£57,500
Median	£250,000
Total	£3,489,416

ADDITIONAL INCOME OF INDUSTRIAL BIDS

Of the sample of 17 industrial BIDs with data, seven received direct additional income beyond the BID levy. The total additional income across all the industrial BIDs when investment income and in-kind is also taken into account amounts to £289,026, the majority of which comes from their respective local authorities.

LEVY COLLECTION CHARGE OF INDUSTRIAL BIDS

From the sample of 15 BIDs with respect to levy collection, seven pay no collection charge and a further seven have collection costs ranging from £0 to £27,000, with a median of £4,600 and a mean cost per hereditament of £18.74.

TABLE 44: Industrial BID levy collection costs

Levy collection costs	£
Lowest	£0
Median	£4,600
Highest	£27,000
Total	£62,868
Nil	7 BIDs
Mean cost per hereditament	£18.74

FINANCIAL REPORTS

Of the 19 industrial BIDs that were able to provide data, 11 published public annual financial reports for their members and 8 did not.

MANAGEMENT & GOVERNANCE OF INDUSTRIAL BIDS

STAFFING

Of the 17 BIDs responding to the survey, 13 of them operate with only part time staff, and overall a total of 21 staff are working across those locations in a combination of full [5] or part time [16] employed and consultants.

BOARDS

The size of Boards across the industrial sector is variable, ranging from the smallest size of three to an upper size of 11, with a median of 6 people. 96 people served on Industrial BID Boards across the sector.

From a local authority perspective, 13 of the BIDs have local authority representation and 11 BIDs had Property Owners on their Boards.

TABLE 45:
Industrial BID Board sizes

Industrial BID Board sizes	
Smallest	3
Median	6
Largest	11
Total	96

POLICY MATTERS IN INDUSTRIAL BIDS

BASELINE STATEMENTS

From the survey data, 14 industrial BIDs had produced baseline statements, and two had not, and of the 14 who made use of them, most of the 14 were pleased with the way that they were working, albeit with some reminders.

TRANSFERRED SERVICES

No industrial BID mentioned the issue of transfer of local authority services.

TABLE 46:
Industrial BID and baseline statements

Baseline statements	
Yes	14
No	2

NEIGHBOURHOOD PLANS AND LEPS

No industrial BIDs reported being involved with Neighbourhood plans, but six were involved with their LEP.

OTHER PROJECTS

Several industrial BIDs mentioned the provision of faster broadband as part of their increased service provision.

Thank you to English, Scottish, Irish and Welsh BIDs for contributing and we hope they all find this useful. Acknowledgements are also expressed to the Bb team, particularly to Emily Richards and Shahed Quddus for the enormous amount of work that they put in on the survey, and thanks to Mel Richardson.

Photo: Colmore

DELIVERING QUALITY, INNOVATION AND KNOWLEDGE TO THE BID INDUSTRY

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