REVIEW OF BUSINESS IMPROVEMENT DISTRICTS 2023

Report from British BIDs, the Association of Town and City Management, the Institute of Place Management and The BID Foundation; for the Department of Levelling Up, Housing and Communities

September 2023

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EXECUTIVE SUMMARY AND RECOMMENDATIONS

This report to the Department for Levelling Up, Housing and Communities from the four bodies involved in Business Improvement Districts has been produced to help in the Review of BIDs that the Parliamentary Under Secretary of State (Department for Levelling Up, Housing and Communities) raised in Parliament in July 2023.

BIDs work, and they work well. They continue to develop, they are always changing, they are business led, and need to continue to be so.

There are now 335 in the British Isles and 274 in England and they continue to grow in number.

They contribute over £150 million into the economy each year and are a vital part of the government place making and business support agenda.

They are ever changing, as they respond to the changing needs of their 118,000 business levy payers.

Business Improvement Districts are business led; they operate locally in a way that links to the UK Govt priorities. They supported businesses and communities through the pandemic[1], they reduce inflationary pressures, they help businesses on energy security, net zero[2], crime and ASB reduction[3], counter-terrorism, facilitating transport schemes, reducing VAWG[4], improving skills and employment.

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[1] https://wearewaterloo.co.uk/news/new-publication-bids-and-covid-19/

[2] https://croydonbid.com/business/edf-energy

[3] https://home.nationalbusinesscrimesolution.com/wp-content/uploads/2020/11/BIDs__Business_Crime_A_Manifesto.pdf

[4] https://www.itsinnottingham.com/news/nottingham--a-vibrant-safe-place-to-play/

BIDs spend large amounts of time and money supporting their independent businesses. Many have separate Independents Groups[5], that are funded specifically to ensure the vibrancy and more creative offering small independent businesses provide

BIDs are democratically elected, are almost always successful in new term ballots, suggesting that, once established, BIDs quickly become accepted as partners in their different localities and communities.

The ballot process can be stressful, but it is also invigorating and affirmative. BIDs firmly believe that a ballot process remains key; a good mandate allows a BID to have confidence that its five-year proposals are right for their District.

However, BIDs strongly feel that the process behind the ballot needs updating. The ballot process is at times frail and minor amendments to the regulations or a steer from The Department of Levelling Up Housing and Community would make them more standardised and robust.

As electronic voting systems become more widely adopted and as businesses increasingly seek to go paperless, BIDs look outdated.

The process around voter substitutions and replacement ballot papers is also now ineffective.

The Regulations are not transparent on the different types of ballot. Whilst it is clear what an Alteration ballot and a Re-ballot are, a Renewal ballot is less precise.

New types and forms of BID are emerging as demands change, and this development is organic and will continue to happen as the business community wants and needs solutions.

Property Owner BIDs remain stalled. It would be an exciting opportunity if they could be reactivated[6]. BIDs remain keen to explore the potential role for Property Owner BIDs outside of London and welcome a discussion on how this could be facilitated. We understand the current position in relation to the electoral cycle of the UK, and feel this could be helpfully discussed after the next General Election with the Department

93% of BIDs make their accounts publicly available to their levy payers, many BIDs [31%] now use their web sites allowing full access to all working papers, and bodies such as British BIDs and the IPM advises all BIDs to publish important information about their

[5] https://winchesterbid.co.uk/independent-business-month-2023/

[6] https://cdn.britishbids.info/publications/A-Guide-to-Property-Owner-BIDs.pdf

management and governance on their website, for levy payers and wider stakeholders to have confidence in their operations.

The BID loan fund was useful and very successful; it could easily be reactivated.

The regulations are dated and could be amended; they are regulations from the Secretary of State and not legislation, the 2003 Act makes clear that *the Secretary of State may by regulations make provision in relation to ballots*[7].

[7] https://www.legislation.gov.uk/ukpga/2003/26/part/4 §55.1

INTRODUCTION

Recently, in the House of Lords[8], Baroness Scott, Parliamentary Under Secretary of State (Department for Levelling Up, Housing and Communities) confirmed that *it is important that the projects and activities that a BID delivers benefit the local area and encourage more people to visit, live and work there. Residents and members of the community are not prohibited in legislation from being consulted on a new BID proposal. Many BIDs include many stakeholders, including the communities they serve and … there is nothing to stop a local authority doing that*.

The Baroness said that it *is clear that we need to explore how BIDs can work better with residents and communities*, but she does *not believe that legislating for a review in the Levelling Up Bill is the right approach*.

She also confirmed that she will consider the proposition of a government review of the BID arrangements.

OBJECTIVES OF THIS REPORT

This report is designed to help the Department for Levelling Up, Housing and Communities [DLUHC] on the matter of a review of Business Improvement Districts (BIDs) and has been produced by a joint group representing the Association of Town and City Management (ATCM), British BIDs (Bb), The BID Foundation (TBF); and the Institute of Place Management (IPM).

It brings together the conjoined knowledge bases of the four organisations and responds to the discussions held with officers in DLUHC, which identified a range of issues that might be reviewed.

PAST REVIEWS

Since the original legislation in 2003[9] and the Regulations in 2004[10], Business Improvement Districts have been a major success, growing in number each year, to the current 335. During this time there have been two rounds of review:

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[8] https://www.theyworkforyou.com/lords/?id=-07-13a.1973.0
[9] https://www.legislation.gov.uk/ukpga/2003/26/part/4
[10] https://www.legislation.gov.uk/uksi/2004/2443/contents/made

The 2014 review was part of the town centre announcement in December 2013, in which a commitment was made for a review of business improvement districts. This 2014 review [11], which was undertaken during the spring and summer of 2014, involved Business Improvement Districts, sector leads and local authorities and produced twelve statements of intent. The British BIDs response was detailed [12].

The 2015 Review of BIDs[13] did not yield a final report [14]after the initial consultation document went out, again British BIDs produced a detailed response following some wide-ranging data collection[15].

Much of this is well documented in the House of Commons library 2018 *Briefing Paper 04591* on BIDs[16].

THE CURRENT REVIEW

This current review by officers in the Department of Levelling Up, Housing and Community has already used a number of informal consultation events with BIDs across the country, and a detailed discussion at the British BIDs Advisory Board. A number of themes emerged in the discussions with DLUHC and the BID community:

- a review of Business Improvement Districts
- the ballot and the ballot process
- the different types of BIDs that are emerging
- the quality and transparency of BIDs.
- monitoring and evaluating the impact of BIDs
- relationships with local government and public agencies
- how businesses can be assured that BIDs are performing well
- the role of residents and the community in a BID
- the role of BIDs into the future

This report is structured around these nine themes.

[11] https://www.dropbox.com/scl/fi/2hveg11km09zgdlvf31mf/1114Government-review-of-Business-Improvement-Districts.pdf?rlkey=ouh7hq1xinbp4pumhwvbixcbr&dl=0
[12] https://www.dropbox.com/scl/fi/nbr3vl0xsgwshl9tune9i/BbReviewOfBIDsConsultation2014.pdf?rlkey=2a73ls7bwjpwtotg4ndlo41lq&dl=0
[13] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/418008/BIDs_Consultation_Document.pdf
[14] https://questions-statements.parliament.uk/written-questions/detail/2016-10-11/48162
[15] https://www.dropbox.com/scl/fi/1rhex9mlprhb26w8k3hp5/Review-of-BIDs-Consultation-Bb-Draft-Response-090615.pdf?rlkey=zrp9cpu6iy31einorgjwu2qpq&dl=0
[16] https://researchbriefings.files.parliament.uk/documents/SN04591/SN04591.pdf

METHODOLOGY

This report has used a range of quantitative data that has come from the British BIDs annual survey[17] and the 2023 Summer Report[18]. It has also made use of a range of other more qualitative data sources, including the British BIDs Advisory Board, training events, informal conversations with BID leaders, and literature searches in local papers and social media.

DATA ON BUSINESS IMPROVEMENT DISTRICTS

There are currently 335 BIDs in the British Isles, they contribute over £150 million into the economy each year and they represent over 118,000 businesses.

Table 1 Business Improvement Districts by Region 2023

Region or Country	Number of BIDs	HEREDITAMENTS	LEVY INCOME
East Midlands	10	4,810	£4,650,752
East of England	28	10,495	£9,311,027
Greater London	74	17,736	£59,753,946
Ireland	5	7,013	£4,991,213
North East England	6	2,470	£2,939,617
North West England	33	10,576	£10,968,786
Northern Ireland	8	2,348	£2,993,228
Scotland	34	10,809	£6,257,771
South East England	40	13,843	£13,985,936
South West England	34	14,965	£10,624,947
Wales	14	2,674	£3,127,024
West Midlands	32	12,089	£11,830,663
Yorkshire and the Humber	17	8,854	£8,672,119
Grand Total	**335**	**118,682**	**£150,107,029**

The data for England alone are clearly fewer, but still substantial.

[17] https://drive.google.com/file/d/1_IhBW2M6oq6I3dymaBW2pf3rSpHFNLZv/view?usp=sharing

[18] https://drive.google.com/file/d/1_yS8otSUtvCWQWoEE0JsppJIsWD-wzXv/view?usp=sharing

Region	No of BIDs	HEREDITAMENTS	LEVY INCOME
England	**274**	**96,847**	**£132,626,197**

BIDs are clearly major players across the business world, and recognised as such by government and individual politicians, with Chancellor Hunt confirming recently that *BIDs have had some incredible success stories nationally in the past 20 years since legislation introduced them*[19]. As an industry, BIDs have grown from a series of pilots to a range of successful models which have secured considerable investment to help catalyse the development of local areas.

1 A REVIEW OF BUSINESS IMPROVEMENT DISTRICTS

As we have seen, there have already been two reviews of BIDs, *op cit*, and the government seems not minded to include new legislation as part of the current levelling up discussions[20].

The current Regulations [21] have enabled a substantial growth in BIDs, of very different types and sizes, delivering very different services, from town and city centres, suburbs, industrial parks, specific industries such as food, and regional tourist areas. These innovative solutions suggest, for some, that there may be no need for change on the principle that *if it ain't broken don't fix it.*

REGULATIONS

On the other hand, the Regulations have been in place since 2004 and there is a view that they are ripe for change. There are concerns from some BIDs as to the efficacy of parts of the current 2004 Regulations, and the 2003 Act [§55.1] makes clear that *The Secretary of State may by Regulations make provision in relation to ballots* [22], thus potentially allowing the Secretary of State to amend the 2004 Regulations without the need for further legislation.

As we reach the 20-year anniversary of the regulations and our industry, it feels right for the Department to review what has worked, what the strengths of the industry and the regulations are, and, where there are concerns, how best to manage those concerns

[19] https://www.farnhamherald.com/news/business/jeremy-hunt-bid-will-be-a-big-boost-for-farnham-town-centre-631611

[20] https://www.theyworkforyou.com/lords/?id=2023-07-13a.1973.0
[21] https://www.legislation.gov.uk/uksi/2004/2443/contents/made
[22] https://www.legislation.gov.uk/ukpga/2003/26/part/4 §55.1

whilst ensuring that the model, and the organisations that deliver, remain innovative, flexible and attuned to local need

BID TERMS

One issue that has been raised over the years by BIDs is the maximum five-year term. BIDs are a major investment tool across the British Isles, injecting £150m each year and £750 million over a BID term. They are also major undertakings, and having to use the last year of every term on the ballot process is seen by many as very wasteful of time and resources. A move under the regulations to allow a longer term or a lighter touch for BIDs entering their second or later term would be an import shift of emphasis.

2 THE BALLOT AND THE BALLOT PROCESS

There is a range of concerns raised over ballots from BIDs.

The ballot process can be stressful, but it is also invigorating and affirmative. BIDs firmly believe that a ballot process remains key; a good mandate allows a BID to have confidence that its five-year proposals are right for their District. However, BIDs strongly feel that the process behind the ballot needs updating.

POSTAL PROBLEMS

Feedback from BID ballots over the past year suggests that the number of lost papers is increasing, both the number being posted out and the number being returned. Some BIDs have suggested that this amounts to some 20%. This is clearly a major concern, and the current very inflexible Regulations allow no alternative voting papers until the last week, generally too late with the postage problems.

NEED FOR ONLINE SYSTEMS

Thus, many BIDs are asking for an online approach. At its simplest this could allow for the return of scanned ballot papers as pdf files. The Regulations currently allow some communication by way of electronic communication or on websites [2004 §Schedule 4.1 (5)(a)] and a steer from the Department to Ballot officers and Electoral services teams might allow this.

A more sophisticated approach might allow for the distribution of ballot papers by email attachment for those voters with email addresses, which many BIDs estimate to be some 80% of levy payers.

There is a strong view from some that as electronic voting systems become more widely adopted and as businesses increasingly seek to go paperless, BIDs look outdated. In one BID, where 95% of the businesses operate in professional services, a postal ballot is considered archaic by most. It is also becoming increasing difficult to administer.

Voters are not always locally based (large firms may have a local / regional management structure for facilities, or an agency in place) and many businesses have become paperless, especially following the Pandemic. In some BIDs there are a number of businesses where all physical post is processed and scanned at a central location. They do not have the facility to receive post in the traditional way, making getting the original ballot paper to them extremely challenging.

LOCAL AUTHORITIES AND BALLOTS

There is a variety of different practices across local authority Ballot Officers and electoral services teams in relation to ballots. Some electoral officers allow flexibility to help with turnouts, others do not.

Some Local Authorities are very supportive in the provision of the lists of *the name of each non-domestic ratepayer and the address and rateable value of each hereditament which is occupied* that are required in regulation §2.1.a; others are far less helpful, particularly when a BID is planning further term ballots.

The ballot is anonymous, and must remain so, but many local authorities allow voting envelopes to be numbered so that turnout can be monitored; other local authorities do not.

At the same time, it appears that some ballot officers allow locked electoral boxes to be used in some areas whilst in others this is not allowed.

REPLACEMENT BALLOT PAPERS

The process around voter substitutions and replacement ballot papers is also now ineffective. It is not uncommon for liability to change between the submission of information and the ballot date. Being unable to update this in a timely way is frustrating for levy payers who wish to exercise their democratic ability to vote. It also impacts on the perception democracy and transparency in the industry.

RENEWAL BALLOTS

The Regulations are not transparent on the different types of ballot. Whilst it is clear what an Alteration ballot and a Re-ballot are, a Renewal ballot is less precise. The regulations [2004 §Schedule 1.2] suggests that Renewal Ballot proposals are less detailed as to liable parties etc, but is imprecise, leading to confusion with some electoral services teams and local authority legal teams [23]

There has been feedback suggesting that the Civica teams are unaware of this legal technicality and use the phrase *renewal ballot* for continuing term ballots. This is a worry for some BIDs and again a steer from the Department to Ballot officers and Electoral services teams might resolve this.

3 THE DIFFERENT TYPES OF BIDS THAT ARE EMERGING

There has always been a very wide range of different BID types as business explored and flexed the Regulations, and BIDs very soon moved away from the town centre retail model that was foreseen originally. This has changed even more in the last year or so, and the current Regulations do seem to have enabled some exciting and innovative solutions to the needs of businesses in placemaking.

Table 2 BIDs by type 2023

BID type	Number of BIDs	No of hereditaments	Levy income
Accommodation	2	78	£954,000
Area Bid	10	2,882	£12,852,459
Business Park	12	1,875	£3,007,390
City Centre	30	20,051	£26,631,759
Commercial	4	1,624	£6,667,521
Culture & Commerce	1	450	£1,302,441
Destination	4	2,134	£2,261,602
Digital BID	1	386	£70,000
Food & Drink	1	35	£14,639
Industrial	16	2,126	£2,428,436
Industrial Park	4	762	£440,000
Leisure	2		£2,477,811
Mixed Area	15	3,196	£14,167,834
Property Owner	4	268	£6,979,779
Retail	1	418	£745,623
Retail & Leisure	4	1,956	£5,510,698
Retail & Tourism	1	245	£107,000
Tourism	7	3,505	£2,185,450

[23] https://www.lincolnshireworld.com/news/people/vote-on-second-term-for-visit-lincs-coast-bid-paused-on-legality-3663438

Town Centre	214	76,271	£60,697,435
Town Centre/Tourism	2	420	£605,152
Grand Total	**335**	**118,682**	**£150,107,029**

TRADITIONAL BOUNDARIES ARE CHANGING.

There have always been a few very large geographical BIDs, covering either a single district authority[24] or a series of local authorities[25]. One recent BID development, *Brentwood Connected*, has used the Regulations to enable three separate high streets in three separate communities to be included in one overarching BID[26]. This can come about when liable parties are excluded by geographical area, allowing a focus on the three key areas – or clusters - of the BID[27]. It will be interesting to see how this BID develops, but it allows a new solution to an issue, without recourse to changes to the Regulations.

ACCOMMODATION BIDS AND LEVY RULES

There have been at least two Accommodation BIDs in the last year, and a number of large local authorities and regional groups are looking at them as a way of monetising tourism in a more focused manner[28].

At least one of these Accommodation BIDs[29] is using nightly bed rates as a levy raising mechanism, mirroring a European nightly tourism tax. The levy, known as the City Visitor Charge, is a £1 fee per room, per night, added to the final accommodation bill by 73 hotels and serviced apartments that form the Manchester Accommodation Business Improvement District (BID) [30].

The Regulations are not explicit in relation to the levy arrangements; indeed the 2003 Act merely says §45.3.

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24 https://northnottsbid.co.uk/
25 https://www.yorkshirecoastbid.co.uk/
26 https://www.brentwood.gov.uk/its-a-yes-for-the-brentwood-connected-business-improvement-district
27 https://www.brentwoodbusinesspartnership.co.uk/sites/brentwoodbusinesspartnership/files/2023-05/Brentwood%20Connected%20BID%20Business%20Plan.pdf
28 https://britishdestinations.net/2022/12/05/uks-first-accommodation-business-improvement-district-bid-approved/
29 https://www.standoutmagazine.co.uk/manchester-to-use-city-visitor-charge-to-fund-event-bids/
30 https://cwherald.com/news/will-the-tourist-tax-come-to-cumbria/

the amount of BID levy for any chargeable period—(a) is to be calculated in such manner as may be provided in the BID arrangements [31]

and such flexing of the Regulations may well continue. Indeed, there is a view from some that the lack of precision in the current regulations is one of its great assets.

4 THE QUALITY AND TRANSPARENCY OF BIDS.

COMPANIES HOUSE

Company law provides safeguards on the publishing of annual accounts and the existing BID Regulations require an annual billing leaflet setting out past and proposed income and expenditure.

The public provision of annual accounts is an important part of good corporate governance. These can range from detailed accounts posted on websites, to more basic ones, linked to the regulatory requirement in the 2004 Regulations Schedule 4.3 for every billing authority to supply to each person receiving a demand notice the revenue due to be received the previous year, the amount spent, the matters on which it was spent and the proposed spend for the coming year.

WEBSITES

From the British BIDs National Survey 93% of BIDs make their accounts publicly available to their levy payers, many BIDs [31%] now use their web sites allowing full access to all working papers, and bodies such as British BIDs and the IPM advises all BIDs to publish important information about their management and governance on their website, for levy payers and wider stakeholders to have confidence in their operations.

MULTI-CHANNEL APPROACHES

The last British BIDs annual survey suggests that most BIDs use a multiplicity of dissemination approaches.

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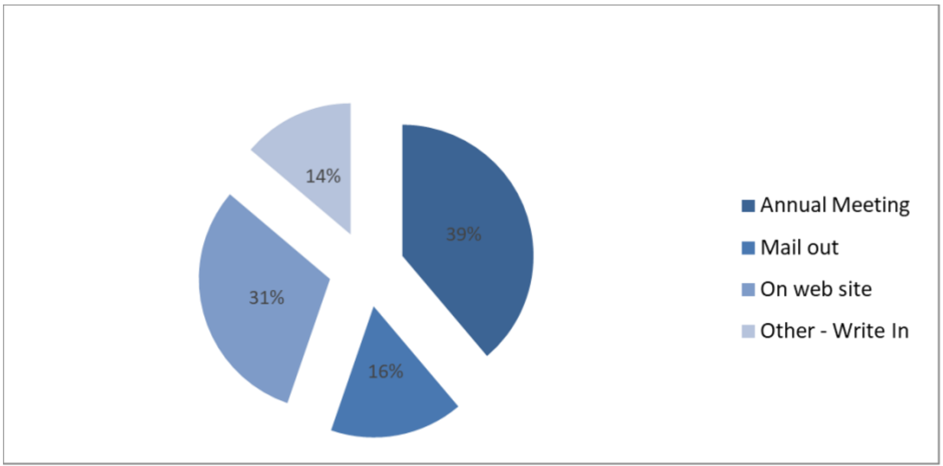
[31] https://www.legislation.gov.uk/ukpga/2003/26/part/4

Figure 1 Dissemination tools used by BIDs



5 MONITORING AND EVALUATING THE IMPACT OF BIDS

Since BIDs came into existence in Toronto in 1995, and then in England in 2003, they have been much researched and evaluated. There have been over 2 million research papers on Business Improvement Districts in total [32], and 16,900 since 2023; this is most certainly a well evaluated and researched area of interest.

Initially USA dominated, this research is now driven in the British Isles by the research teams at *inter alia,* Manchester Metropolitan University.

WHAT BIDS DO

Business Improvement Districts are business led, they operate locally in a way that links to the UK Govt priorities. They supported businesses and communities through the pandemic[33], they reduce inflationary pressures, they help businesses on energy security, net zero[34], crime and ASB reduction[35], counter-terrorism, facilitating transport schemes, reducing VAWG[36], improving skills and employment. There are examples of each of these in a whole range of BIDs, but the key exemplars and cases are referenced here.

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32 https://scholar.google.com/scholar?hl=en&as_sdt=0%2C5&q=Business+improvement+districts&oq=business+

33 https://wearewaterloo.co.uk/news/new-publication-bids-and-covid-19/

34 https://croydonbid.com/business/edf-energy

35 https://home.nationalbusinesscrimesolution.com/wp-content/uploads/2020/11/BIDs__Business_Crime_A_Manifesto.pdf

36 https://www.itsinnottingham.com/news/nottingham--a-vibrant-safe-place-to-play/

RESEARCH

Since the 1980s, Manchester Metropolitan University researchers have been studying change in the [37] retail sector and retail locations such as town centres. Although this has not been BID specific, they have produced over 300 academic articles, won major prizes and awards as well as undertaking a number of applied research projects for the private, public and third-sector. Many BID leaders make use of this research, along with the research and resource support from the High Street Task force[38]

NATIONAL BUSINESSES AND BIDS

British BIDs hosts quarterly meetings with senior representatives responsible for voting in BID ballots from some of the UK's largest national chains, including retail, hospitality and professional services. Representatives have signed up to be part of discussions on the industry and given that these businesses contribute the largest proportion of levy income towards many BID schemes, it is imperative to maintain a dialogue and hear their thoughts on BIDs. These meetings are hugely positive with genuine interest on both sides to improve quality, communications, transparency and to collaborate. Not only do the national levy payers make significant contributions towards BIDs, they also have much knowledge and expertise on what's important in our trading environments.

SMALL BUSINESSES AND BIDS

It is of course the small independent businesses who make up the greatest number of BID levy payers and members. BIDs across the countries spend large amounts of time and money supporting their independents. Through strong links to Independents Day[39], , BIDs have forged a strong role. Many have separate Independents Groups[40], that are funded specifically to support and enhance the vibrancy and more creative offering that the high quality, value for money, differentiated products, as well as first class service, that small independent businesses provide.

BALLOTS AND EVALUATING THE IMPACT OF BIDS

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37 https://www.placemanagement.org/research/overview/

38 https://www.highstreetstaskforce.org.uk/

39 https://www.independentsdayuk.org/supporters

40 https://winchesterbid.co.uk/independent-business-month-2023/

ALL BID BALLOTS FROM 2004

One of the key drivers in all BIDs is the need to go out to the levy payers every five years to win their support. This is a vital existential element in all BIDs, one which no other business faces. The fact that over the past 20 years there have been 947 ballots, of which only 93 [9.8%] have been unsuccessful and nineteen have either ceased mid-term or not gone to a further ballot is a powerful message of success:

Table 3 BID Ballots since 2004

Term	Count	Average turnout	Average in favour by number	Average in favour by RV
1st term	374	43.2	74.0	75.8
2nd term	266	46.5	75.8	79.8
3rd term	134	46.2	81.9	85.0
4th term	52	45.4	81.7	87.5
5th term	5	41.0	90.1	92.0
Alteration ballot	1			
Ceased end of 1st term	7	40.0	66.8	66.2
Ceased end of 1st term.	1	60.0	87.0	93.0
Ceased end of 2nd term	1	46.0	76.0	63.0
Ceased in 1st Term	8	34.0	64.6	72.6
Ceased In 2nd Term	1	55.0	80.0	86.0
Challenge upheld	1	31.0	68.0	90.0
Challenged and a re-ballot held	1		51.0	55.0
Unsuccessful	93	46.4	47.0	48.2
Ballot suspended due to COVID-19	1			
Did not go to ballot	1			
Grand total	947	44.9	73.3	76.4

BID BALLOTS IN THE LAST 12 MONTHS 1 JUNE 2022 – 31 MAY 2023

During the past year, post-covid and during some financial uncertainty, there were major concerns over ballots, which were in the end unfounded; 80 ballots resulted in 75 successful outcomes and five failures.

Seven new BIDs were successful in their ballots during the past year.

Ballot turnout in the last twelve months, after the pandemic and during this period of financial concern, was on average 41% and the ballot results by rateable value were 81.0% and by number 76.6%.

This is a better performance than the nineteen-year normal, with an average improvement of some 4.6 percentage points in the RV vote and 3.3 percentage points in the vote by number compared to the average 19-year results. Turnout was however less, but surprisingly only by 3.9 percentage points.

BIDs most certainly measure themselves by way of their ballot data, and rightly so. The mean is the most used data measure for each of the key indicators – the % turnout, the % of votes by number and the % of votes by RV. The data suggest on the whole an improvement at each term of a BID by a few percentage points at each ballot.

Table 4 Ballot success data June 1, 2022- MAY 31, 2023

Term	Count	Average turnout	Average in favour by number	Average in favour by RV
1ST TERM	7	35.7	79.1	81.5
2ND TERM	26	39.7	74.3	79.9
3RD TERM	25	41.5	84.4	87.9
4TH TERM	14	46.3	74.5	82.9
5TH TERM	3	40.0	84.1	86.9
UNSUCCESSFUL	5	36.6	47.9	47.4
Grand Total	80	41.0	76.6	81.0

BIDs are very much of the view that these figures suggest a very strong level of support for what they achieve.

6 RELATIONSHIPS WITH LOCAL GOVERNMENT AND PUBLIC AGENCIES

LOCAL AUTHORITIES

The 2003 Act requires and ensures that the Local Authority invoice, collect and enforce levy bills; and the 2004 Regulations thus require a BID to have a close relationship with the local taxation departments, the economic development teams and the electoral services teams of their local authorities. On the whole feedback suggests that this works well.

Most BIDs have Local Authority representation on their boards, reflecting this important relationship between a BID and its local authority, with 87% of BIDs having such representation, comprising 268 Local Authority board members across the sector.

Each BID needs an operating agreement with its local authority; most [97.8%] have, but some still don't; and whilst nearly 80% of BIDs feel that their agreements work well or moderately well [41], some 20% feel that they don't, and this clearly is a matter of concern for them and indeed the industry.

Most BIDs develop baseline 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 useful elements in the BID proposal process, and a statement of the existing baseline services (if any) provided by the relevant billing authority or other public body are required under the Regulations. Although the definition is not precise, it is evident [42] that 81% of BIDs had baseline statements and on the matter of adherence, although there was a sense of 'slippage' with 18% of BIDs feeling that baseline statements were being followed badly or not very well, 57% felt that they were still being adhered to moderately well in difficult circumstances for many local authorities.

PUBLIC AGENCIES

Alongside this important technical relationship between BIDs and local authorities there are a range of vital relationships between BIDs and other public agencies. BIDs are supporting delivery by working with police at a time of stretched resources, working with planning departments to deliver schemes and many, many others.

Via ATCM's cross-sector network of place management bodies[43], BIDs are able to support, and be supported by local authorities. The ATCM network enables BID managers and staff to network and engage with a range of councillors, officers in a variety of roles including economic development, place, planning, housing and licensing.

7 HOW BUSINESSES CAN BE ASSURED THAT BIDS ARE PERFORMING WELL

It is important that BID levy payers are able to ensure that *their* BID is doing everything properly, and there is a range of training courses, accreditation and development

[41] https://drive.google.com/file/d/1_IhBW2M6oq6I3dymaBW2pf3rSpHFNLZv/view?usp=sharing p44
[42] https://drive.google.com/file/d/1_IhBW2M6oq6I3dymaBW2pf3rSpHFNLZv/view?usp=sharing p45
[43] https://www.atcm.org/knowledge-exchange

events that BID staff are able to attend and the success of these suggests that most BID staff, of whom there are estimated to be just shy of 1000 across the county, are making full use of them.

TRAINING AND DEVELOPMENT

All of the national BID bodies provide training, development and conferences.

MANCHESTER METROPOLITAN UNIVERSITY PLACE MANAGEMENT AND LEADERSHIP: PGCERT, PGDIP AND MSC

MMU deliver three qualifications in Place Management and Leadership: PgCert, PgDip and MSc. This is a course made for working professionals, designed to apply academic principles to real-world workplace issues. Its part-time structure gives room for other commitments. In short, it's an opportunity to take a leading role in the field, providing both the formal qualification and the focused skills to excel in senior and strategic roles in place management[44].

BB CERTIFICATE IN BID MANAGEMENT

The CiBM is a 7-day training course preparing future and current BID managers with a comprehensive toolkit, enabling them to manage a BID efficiently and effectively[45]. Over 120 BID managers have now completed the programme.

BB DIPLOMA IN BID LEADERSHIP

Leadership is different from management. Leadership is about doing the right things right. It's about setting directions, building visions, and making something new. It's about taking a group of people on a journey and mapping out what an organisation needs to do to succeed. At its best it is creative, inspiring, motivating and exciting. The DIBL provides this over eight separate sessions[46] and some 40 managers have now completed the programme.

ANNUAL CONFERENCES AND OTHER EVENTS

[44] https://www.mmu.ac.uk/study/postgraduate/course/msc-pgdip-pgcert-place-management-and-leadership/
[45] https://britishbids.info/services/certificate-in-bid-management
[46] https://britishbids.info/services/diploma-in-bid-leadership

There are national conferences, and professional development events from ATCM, BB, TBF and IPM. There is also a wide range of one day training courses available all of the professional BID bodies.

ACCREDITATION AND STANDARDS

Both The BID Foundation and British BIDs operate accreditation systems, and ATCM has the global standards on the night time economy. These standards and kite marks are an important part of assuring confidence in BIDS.

BRITISH BIDS

Accreditation provides an assessment of the following BID components;

Governance - the selection process and effectiveness of the board, directors and members of the BID; Management and Operations - the staffing structure, contracts and appraisals. This theme also covers insurance policies and data protection; Financials - the BID financial systems, ensuring professional and transparent procedures; Performance Management- the methods used by the BID to review performance and ensuring the views of levy payers are fed back in to reflect the changing needs of the area; Communication and Reporting- the BID's communications activity, focussing on how processes and activities are reported to levy payers and how return on investment for levy payers is assessed. The next stage is to submit to the final assessment with any changes to be audited and signed off by the Accreditation Board. Thus far some 30 BIDs have gone through the British BIDs process [47].

THE BID FOUNDATION

A key objective of The BID Foundation (TBF) is to increase the transparency, accountability and professionalism of the industry. Developing a set of simple standards was one of 13 recommendations suggested by the Institute of Place Management (IPM) in a state-of-the-art review of the industry. The IPM advised all BIDs to publish important information about their management and governance on their website, for levy payers and wider stakeholders to have confidence in their operations. The Industry Standards have been developed through consultation with members of TBF Council, the British Retail Consortium, Ministry for Housing, Communities and Local Government, Scottish Towns Partnership and Welsh Government.

PURPLE FLAG ATCM

[47] https://britishbids.info/services/accreditation

Purple Flag is an accreditation programme that aims to reward those who achieve this in their destinations after dark. Purple Flag strives to help create safe and thriving locations at night for all users [48]. Vibrant, night-time economies do not happen by accident. Innovation, curation, planning and partnership are all key elements to creating a destination that can delight users after dark; the standard and the accompanying support ensure that. The programme was developed in partnership with the Home Office to improve safety at night with the enhanced coordination between key agencies such as police, NHS, licensing, venues, transport operators and others.

So many BIDs have become central to Purple Flag with the likes of Aberdeen Inspired, Heart of London Business Alliance, Canterbury BID, FOR Cardiff and Preston BID contributing to excellent night-time economies. With this support, Purple Flag has adopted in Ireland, Sweden, New Zealand and, as of 2023, Australia with significant interest elsewhere.

8 THE ROLE OF RESIDENTS AND THE COMMUNITY IN A BID

Although BIDs very much started as business led and business managed bodies, they speedily started to involve their local communities. Initially this was through local Councillor representation on boards but has now very much moved to other bodies becoming board members, links with local residential groups, involvement in a range of local and community issues and projects.

LOCAL AUTHORITY INVOLVEMENT ON BOARDS

Data from the *2022 BB ANNUAL SURVEY* [49] suggests that 87% of BIDs have Local Authority representation on their boards, reflecting the important relationship between a BID and its local authority. The median figures is 1 representative, with other BIDs having up to 5. Thus, local authority board membership, generally involving elected members ensures a strong link between a BID and its local residents.

OTHER INVOLVEMENTS

[48] https://www.atcm.org/purple-flag

[49] https://drive.google.com/file/d/1_IhBW2M6oq6I3dymaBW2pf3rSpHFNLZv/view?usp=sharing

Many and indeed most BIDs are engaged with local festivals, events, and community projects[50]. They are often initial pump priming funders, providers of skilled person power, and enablers of legal and safety advisory support.

THE FUTURE ROLES OF THE COMMUNITY IN BIDS

Much has been written about Community Improvement Districts, defined [51] as "bodies which provide opportunities for community stakeholders to participate in operational and strategic decision- making for their neighbourhoods". These require much greater collaboration and partnership working amongst a range of stakeholders to co-design high street projects benefiting local communities. One of the driving forces in the agenda is *Power to Change* [52] who argue for those community spaces that are vital to local economies, community cohesion and civic pride and more. Research on the new normal by the New Economics Forum and British BIDs [53] suggests that BID managers are at the forefront in the creative thinking that will be needed to address the issues of empty units and the demand for increased and accessible green and public spaces.

9 THE ROLE OF BIDS INTO THE FUTURE

A few years ago, there were discussions on whether we had reached the stage of "peak BID": whether most business communities that wanted a BID had developed them. However, there are currently 59 BIDs at the development stage and BID development is continuing, particularly as developers explore newer definitions of both boundaries and the types of BID. BIDs will steadily continue to grow in number, but they will become increasingly different as the organic changes in organisational structures and service respond to new social and business needs [54].

DEVELOPING BIDS

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[50] https://www.linkedin.com/posts/centraldistrictalliance_centraldistrictalliance-cdalondon-theprincestrust-activity-7100495959377264641-IRdh?utm_source=share&utm_medium=member_ios

[51] https://www.powertochange.org.uk/wp-content/uploads/2020/10/PTC_3737_CIDS_Discussion_Paper_FINAL.pdf

[52] https://www.powertochange.org.uk/impact/case-studies/

[53] https://britishbids.info/publications/business-improvement-districts-and-the-new-normal-their-response-to-the-covid-19-pandemic-of-2020

[54] Notes on Complexity : A Scientific Theory of Connection, Consciousness, and Being. Theise, Neil, Spiegel & Grau, 2023

The current regional spread of BIDs under development is wide, and again reaffirms the view that businesses need and want BIDs.

Table 5 Regional distribution of developing BIDs

Region	Number of Developing BIDs
East Midlands	3
East of England	6
Greater London	6
North West England	4
Scotland	13
South East England	12
South West England	5
Wales	3
West Midlands	4
Yorkshire and the Humber	3
Grand Total	59

NEW TYPES OF BID.

Clearly there is much interest in Accommodation BIDs, as towns and cities seek to generate funding for their tourism initiatives, whilst at the same time manage tourist numbers. The economic costs of tourism are evident across the world and many cities are using a tourism tax to help re- generate their tourism industries.

But there is a view that as new business pressures emerge, new types of BIDs will need to be set up and become involved in issues of sustainability and 'greenness', the growing and very different creative industries, and the impact of ULEZ, new transport models for workforces, customers, visitors, and clients.

PROPERTY OWNER BIDS

There is much interest in Property Owner BIDs and the old Department for Communities and Local Government produced a fact sheet on them [55].

The provisions for Property Owner BIDs 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 were only applicable in London (where the only BRS exists).

55 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/587976/LGF_Bill_Factsheet_-_Property_Owner_BIDs.pdf

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.

This legislation did not go forward and thus Property Owner BIDs remain stalled. It would be an exciting opportunity if they could be reactivated[56].

BIDs remain keen to explore the potential role for Property Owner BIDs outside of London and welcome a discussion on how this could be facilitated. We understand the current position in relation to the electoral cycle of the UK, and feel this could be helpfully discussed after the next General Election with the Department.

COMMUNITY IMPROVEMENT DISTRICTS

BID managers across the country already recognise that 'places' 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 places' during the pandemic, the acceleration of online activity and the changing types of town and city centres will require new aims and objectives and rethought business plans for many BIDs.

These changes are starting to happen in BIDs across the country, as five-year ballot cycles ensure new and different business plans, but the current business led, and business funded BID model will need some re-evaluation to move in these new directions.

NEW BOUNDARIES AND SMALLER BID COMMUNITIES

One of the interesting issues underpinning BIDs up to the present is the concern over 'gentrification'; the concern that the more affluent business areas, with reasonable rateable values can set up BIDs, that make their communities even more affluent and thus increase rateable values and rents, for the benefit of property owners rather than the tenants paying the levy.

The model has not really been able to address the issues of business decline and levelling up. Newly emerging models of larger boundaries with smaller business

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[56] https://cdn.britishbids.info/publications/A-Guide-to-Property-Owner-BIDs.pdf

communities nested with-in them may be an emerging model to alleviate this, and the Brentwood Connected model[57] may allow some interesting new models to emerge.

NEW MANAGEMENT STRUCTURES

As BIDs become increasingly cost conscious, or more networked with very different larger boundaries, the management and governance structures are changing. Smaller BIDs are sharing staff, governance is becoming a shared activity and the experience of some earlier BIDs[58] is replicated by others.

BID LOAN FUND

One of the great stimuli and supports that government provided to BIDs in their early days was access to the BID Loan Fund. At the time it was an important message that Government was committed to Business Improvement Districts and the impact they have on their local areas. The Government stressed that they were keen to see the setting up of more Business Improvement Districts and recognised that their development requires up front expenditure. In October 2013 they launched a £500,000 recyclable loan fund which supported over 30 areas with loans totalling £658,555. In the last two years of the funding loans were issued to 13 areas:

[57] https://www.brentwoodbusinesspartnership.co.uk/

[58] https://www.visitwest.co.uk/about-us/business-improvement-districts

Area	Amount	Region	Local Authority
Cheltenham	£35,000	South West	Cheltenham Borough Council
Eastbourne	£41,000	South East	Eastbourne Borough Council
Hastings	£31,400	South East	Hastings Borough Council
Hexham	£40,000	North East	Northumberland County Council
Leicester	£50,000	East Midlands	Leicester City Council
Lichfield	£20,000	West Midlands	Lichfield District Council
Milton Keynes	£35,000	South East	Milton Keynes Council
Oxted	£30,000	South East	Tandridge District Council
Poole	£42,000	South West	Poole Borough Council
Purley	£10,000	Greater London	London Borough of Croydon
Runcorn	£27,000	North West	Halton Borough Council
Watford	£49,822	South East	Watford Borough Council
York	£30,000	Yorkshire and Humber	York City Council

Sadly, the government did not continue the Loan fund when the first seven-year cycle came to an end and the monies were returned to government [59] despite it being clearly a very important part of the levelling up agenda.

SOME CONCLUSIONS AND RECOMMENDATIONS

This report to the Department for Levelling Up, Housing and Communities from the four bodies involved in Business Improvement Districts has been produced to help in the Review of BIDs that the Parliamentary Under Secretary of State (Department for Levelling Up, Housing and Communities) raised in Parliament in July 2023.

BIDs work, and they work well. They continue to develop, they are always changing, they are business led, and need to continue to be so.

There are now 335 in the British Isles and 274 in England and they continue to grow in number.

They contribute over £150 million into the economy each year and are a vital part of the government place making and business support agenda.

They are ever changing, as they respond to the changing needs of their 118,000 business levy payers.

[59] https://questions-statements.parliament.uk/written-questions/detail/2016-10-11/48211

Business Improvement Districts are business led; they operate locally in a way that links to the UK Govt priorities. They supported businesses and communities through the pandemic[60], they reduce inflationary pressures, they help businesses on energy security, net zero[61], crime and ASB reduction[62], counter-terrorism, facilitating transport schemes, reducing VAWG[63], improving skills and employment.

BIDs spend large amounts of time and money supporting their independent businesses. Many have separate Independents Groups[64], that are funded specifically to ensure the vibrancy and more creative offering small independent businesses provide

BIDs are democratically elected, are almost always successful in new term ballots, suggesting that, once established, BIDs quickly become accepted as partners in their different localities and communities.

The ballot process can be stressful, but it is also invigorating and affirmative. BIDs firmly believe that a ballot process remains key; a good mandate allows a BID to have confidence that its five-year proposals are right for their District.

However, BIDs strongly feel that the process behind the ballot needs updating. The ballot process is at times frail and minor amendments to the regulations or a steer from The Department of Levelling Up Housing and Community would make them more standardised and robust.

As electronic voting systems become more widely adopted and as businesses increasingly seek to go paperless, BIDs look outdated.

The process around voter substitutions and replacement ballot papers is also now ineffective.

The Regulations are not transparent on the different types of ballot. Whilst it is clear what an Alteration ballot and a Re-ballot are, a Renewal ballot is less precise.

New types and forms of BID are emerging as demands change, and this development is organic and will continue to happen as the business community wants and needs solutions.

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[60] https://wearewaterloo.co.uk/news/new-publication-bids-and-covid-19/
[61] https://croydonbid.com/business/edf-energy
[62] https://home.nationalbusinesscrimesolution.com/wp-content/uploads/2020/11/BIDs__Business_Crime_A_Manifesto.pdf
[63] https://www.itsinnottingham.com/news/nottingham--a-vibrant-safe-place-to-play/
[64] https://winchesterbid.co.uk/independent-business-month-2023/

Property Owner BIDs remain stalled. It would be an exciting opportunity if they could be reactivated[65]. BIDs remain keen to explore the potential role for Property Owner BIDs outside of London and welcome a discussion on how this could be facilitated. We understand the current position in relation to the electoral cycle of the UK, and feel this could be helpfully discussed after the next General Election with the Department

93% of BIDs make their accounts publicly available to their levy payers, many BIDs [31%] now use their web sites allowing full access to all working papers, and bodies such as British BIDs and the IPM advises all BIDs to publish important information about their management and governance on their website, for levy payers and wider stakeholders to have confidence in their operations.

The BID loan fund was useful and very successful; it could easily be reactivated.

The regulations are dated and could be amended; they are regulations from the Secretary of State and not legislation, the 2003 Act makes clear that *the Secretary of State may by regulations make provision in relation to ballots*[66]*.*

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British BIDs

[65] https://cdn.britishbids.info/publications/A-Guide-to-Property-Owner-BIDs.pdf
[66] https://www.legislation.gov.uk/ukpga/2003/26/part/4 §55.1