

# British BIDs

## Quarterly News April 2007



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### BID focus: Brighton City Centre BID – Headcams

Each quarter our newsletter will focus on the activities of one British BID. This quarter we look at the Brighton BID's use of 'Headcams' to record and deter anti-social behaviour and criminal activity in the BID area.

Security guards funded by the Brighton BID to patrol the area, have been equipped with headsets, with video and audio capability, to record any criminal, or anti-social behaviour in the area. The guards work to make the area safer by catching thieves, effecting the removal of illegal traders and deterring anti-social activities by working with local action teams.

The 'Headcam' equipment has the latest software which is court credible, being watermarked, date and time stamped and fitted with a password so the evidence cannot be altered by the guards. The cameras enable the guards to record criminal activity both visually and audibly. This leads to much more accurate identification of criminals and provides concrete evidence of their observed misdemeanours.

The court credible evidence that the 'Head cams' provide, acts as a strong deterrent to anyone considering committing anti-social behaviour or crimes within the BID area. With some of the BID's long term problems of

### British BIDs group pension plan – new member service

This week British BIDs launches its latest service – a BID pension plan. British BIDs, advised by Independent Financial Advisers PFP Financial Planning, have set up a Group Personal and Stakeholder Pension Plan facility with Zurich Life. Zurich have been persuaded to treat the British BIDs network as one plan when costing it, but as individual plans when or if each BID chooses to participate. Therefore providing low overall costs (normally only offered to large employers), with flexibility and confidentiality for each BID.

For more information on the pension plan please contact us at: [contact@britishbids.info](mailto:contact@britishbids.info)

nuisance, alarm, and harassment, which are not categorised as criminal offences, Headcam recordings have been successfully used as evidence to secure ASBO's on offenders. Once offenders are made aware that their actions are being recorded by the Headcams, they tend to change their behaviour considerably, therefore reducing the need to use physical restraints. This can also reduce the need to detain offenders, which can free up officers to continue with normal duties.

The introduction of the Headcams and security patrols linked in to a strong Crime Reduction Partnership has led to about half a dozen prolific offenders being moved out of the city centre. Traders in the BID area feel much safer since the introduction of the security guards and have noticed the reduction of trouble makers in the area. Introducing Headcams also gave the BID some very good publicity, which launched the introduction of the patrols and increased their effectiveness.

**For more information:** [www.brightonbusiness.co.uk](http://www.brightonbusiness.co.uk)

### **Review of Property Owner involvement in BIDs**

During the development of the BID legislation there was a debate about the role of property owners in BIDs. This was debated in the House of Commons and the Lords but provision for a formal levy was not finally included in the subsequent legislation. Nevertheless, Government made a commitment to commission a formal review of the role of property owners in BIDs and this is currently being undertaken by York Consulting on behalf of the Department of Communities and Local Government.

There is currently concern about the extent to which that research is focusing on the essence of the property owner issue and therefore formal questions have been submitted by British BIDs to request a refinement of the research. [More information on this matter will follow in a later issue.](#)

### **Problems with business rates data? Let us know**

We are very aware of the huge amount of time and resources BIDs have to expend working on the business rates data they are provided with by their local authority to get it to a state that is usable for BID campaign and ballot. We recently presented our concerns on this matter, along with an Industrial BID case study, to the Valuation Office Agency (the government agency responsible for maintaining business rating lists in England and Wales).

Unfortunately, local authorities currently have little incentive to keep business rate payers' contact information accurately. With many payments taking place by direct debit, businesses also have little need to update their details.

We are developing proposals to improve the situation, but would benefit from further facts. To enable us to take our work forward in this area we want to hear from any BIDs with concrete data and examples of issues experienced with business rates data. Please get in touch via: [contact@britishbids.info](mailto:contact@britishbids.info)

### Launching the new 'Finding Funding' service

We are frequently contacted by BIDs and those developing BIDs regarding where to find funding for BID development and BID programmes. British BIDs has therefore recently carried out research into the BID funding provided by Regional Development Agencies and devolved Governments and this research is presented as part of the 'Finding Funding' service British BIDs is launching today. This new British BIDs member service provides advice on where formal BIDs and those developing BIDs can look to source additional funding, as well as listings of current grants that may be relevant to BIDs.

We are seeing less and less general funding available to support BIDs or the development of BIDs as the number of BIDs in Britain increases. Where general BID funding is available, it tends to be for BID development work and be provided by the Regional Development Agencies, or devolved Governments. Of the nine RDAs and two devolved governments, eight have provided funding to developing BIDs. However, only four have provided funding to formal BIDs, out of which only two were a general BID contribution – the others being grants for specific projects (It should be noted that the Scottish BIDs legislation has only recently been passed, so there are no formal BIDs in Scotland to date). Many RDAs are now reducing their financial support for developing BIDs having supported the 'first wave' in their region, instead focusing on supporting the sharing of best practice among formal and developing BIDs.

BIDs and those developing BIDs are therefore having to think more laterally about how they might be successful in gaining funds to support and broaden their work. Often focusing a search for funds on a specific project or area of work, for example, crime reduction or 'green business', will increase a BID or developing BID's chances of obtaining funding.

### British BIDs Network events – review

The first British BIDs Network events took place last month and were very well received. These events provide an opportunity for British BIDs members to meet their counterparts across the country and exchange experience, whilst supported and facilitated by British BIDs team members to ensure that all ideas and interests are captured and progressed between meetings. Following the positive feedback received, these events will become a regular feature throughout the year, and dates for the next round of events will be publicised shortly in one of our news bulletins.

At the [Chairs](#) event, the BID Chairs that were assembled discussed the role of the BID Chair, the ideal length of tenure for a Chair and the various qualities that are useful in a Chair person. They also discussed the balancing act necessary between the Board and levy payers and the BID Management team and the benefits to the Chair of

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The British BIDs 'Finding Funding' service therefore includes both information on each Regional Development Agency and devolved Government's support for BIDs to date and forthcoming European Funding, as well as information on quite specific grants and grant making bodies who might fund particular BID programmes or projects.

A BID's relationship with its Local Authority and other statutory providers will also be crucial in ensuring it is aware of grants and funding streams available, whether to the BID directly, or to the BID working in partnership with the local council, Police or other statutory providers. These might include Section 106 agreements (planning gain), Local Authority Business Growth Incentive scheme funding (LABGI) or funding through a council highways, environment, transport or community safety programme. Close liaison with the council is important in ensuring BID projects are included in relevant local spending and/or implementation plans, if projects are to gain council funding.

Finally, BIDs and those developing BIDs should also not solely focus on grants as a way of obtaining additional funding -

- Property Owners – have supported a number of developing and formal BIDs across the country
- Sponsorship – can provide a useful form of income
- Income generation – BIDs should not be shy of generating additional income, for example by selling member services to non-members or through advertising if appropriate

Visit the new Finding Funding service at [www.britishbids.info](http://www.britishbids.info)

For more information get in touch via [contact@britishbids.info](mailto:contact@britishbids.info)

taking on the role.

Our **Formal BID** members session focused on Innovative BID projects and Heart of London's experience as the first BID in the country to go to successfully through a renewal ballot. Those present also discussed the current issue with recruiting to senior BID positions, problems with business rates data, dealing with no-voters and non-payers and ideas for attracting additional funding and income generation.

For our **Developing BIDs** we provided an outline of the various elements needed to successfully develop a BID as well as specific training on canvassing techniques and scenarios. We also provided an opportunity for those developing BIDs to ask any other technical questions regarding the development process.

British BIDs network events are free but are only open to British BIDs members. If you would like further information do get in touch via [contact@britishbids.info](mailto:contact@britishbids.info) or see the membership pages on: [www.britishbids.info](http://www.britishbids.info)

### Scottish BIDs legislation review

The BID legislation for Scotland came into force on 1<sup>st</sup> April 2007 through the Planning etc (Scotland) Act 2006, part 9 and the Planning etc (Scotland) Act 2006 (Business Improvement Districts Levy) Order 2007 and the Business Improvement Districts (Ballot Arrangements) (Scotland) Regulations 2007.

There are many similarities to the legislation for England and Wales, but as expected there are a few elements that differ. Several of the items that we have lobbied the English government to add to the English legislation are included in the Scottish legislation, such as provision for cross borough BIDs, and the application of the levy to owners as well as occupiers. Other items included in the Scottish legislation relate well to the experience of BIDs in England and Wales and best practice established, such as the requirement for at least a 25% turnout and demonstration of at least 5% support of voters before holding a ballot and a daily charge system for BID levy collection. One key difference is that in Scotland the BID Proposer will specify which eligible persons are able to vote, thereby overcoming the difficulties so many BIDs in England and Wales have had with incomplete and accurate business rates data.

The differences between the Scottish Legislation and the BID legislation for England and Wales are as follows:

1. **Demonstrating Support:** Section 38 (3) of the Act specifies that at least 5% of those entitled to vote must demonstrate their support for the proposals before a ballot can be held.
2. **Voting:**
  - a. **Electoral register:** Section 39 (2) of the Act states that it is the responsibility of the BID Proposer to submit a statement to the local authority specifying which

### BID levy collection cost research

At the request of our members, British BIDs has recently completed research into the range of BID levy collection costs charged by local authorities. The data collated includes the BID levy collection cost per hereditament, as well as, as a percentage of BID levy income.

Our data identifies five BIDs that are not charged for BID levy collection. These are four town centre BIDs and one Industrial BID, whose annual incomes range from £40,000 to £510,500. The highest annual collection charge is £30,000, however the two BIDs paying this charge have a relatively high number of hereditaments and high levels of BID levy income, so that this charge equates to around £30 per hereditament, and around 4% of BID levy income for each.

The highest levy collection charge per hereditament is £114, with the average being £37. The highest collection charge as a percentage of

eligible persons will be entitled to vote.

- b. **Eligible voters:** Section 39 (3) to (8) of the Act sets out who is entitled to vote. There appears to be provision for an occupier and an eligible tenant (tenants or sub-tenants under a lease which has at least five years to run who is not subject to the non-domestic rate) of a particular property to vote, although the apportionment of this vote does not mirror the apportionment of the charge (see point 3 below) as each voter counts as one vote.
- c. **Turnout threshold:** Section 40 (5) and (6) of the Act specifies that a turnout threshold of 25% both in relation to number and rateable value will be applied to the ballot.
- d. **Majority:** A dual key majority as per the English legislation is required except where Section 41 (3) of the Act is applied, which enables the majority required in any particular ballot to be specified by the BID proposer within the BID proposal. This prescribed majority only relates to a percentage applied that would be higher than just over 50%.

### 3. The Levy

- a. **Eligible levy payers:** Section 5 (1) of the Order allows for the liability of the levy to be placed on both occupiers (eligible ratepayers) and owners or eligible tenants (eligible other persons).
- b. **Apportionment of levy:** Section 6 of the Order provides the details for apportioning the levy between occupier and owner. The apportionment rate must be decided by the BID Proposer and published in the BID proposal. This rate must be applied equally across the whole of the BID area and must add up to a total of 100%.
- c. **Daily charge:** Section 5 (2) of the Order provides for all BIDs to run a daily charge system of levy collection, which means any changes to the liable occupier and/or owner by virtue of a split or merger or new occupier

annual BID levy income is 6.63%, with the average being 3%.

Of concern, and note to those that are developing BID proposals, is that it would appear that at least five BIDs are making a loss when they collect the BID levy from their smaller businesses. We collated information in our Nationwide BID Survey last year on the lower thresholds for each BID (i.e. the Rateable Value below which a business is exempt from the BID levy). When the collection costs per hereditament for each BID are compared to the lowest BID levy figure they charge, in five cases BIDs appear to be collecting less money per hereditament than their collection charge for a proportion of businesses.

Those developing BID proposals should be aware of the potential to lose rather than gain income through BID levy collection in this way and be sure that the wider business community understands this implication.

during the term of the BID will be applied in terms of the levy charge.

#### 4. Joint Arrangements

- a. **Provisions for joint arrangements:** Section 34 of the Act and section 9 of the Order provide for a BID to operate across local authority boundaries. Where this is implemented, a single billing body would be appointed, which could be either one of the relevant local authorities, another local authority or some other person.

Further information on the Scottish BIDs legislation, along with the full versions of the legislation, Order and ballot arrangements regulations can be found in the Document Centre of the British BIDs website [www.britishbids.info](http://www.britishbids.info)

**Note:** Interpretations can differ and therefore this interpretation should not be relied upon for correctness. Where views differ further clarification should be sought.

#### 2007 BID Ballot results to date

2007 has been a busy year for BID ballots so far, and we are expecting almost the same number again before the year is out. Of the twelve votes that have taken place, nine were positive and only three negative.

Among the yes votes was the first renewal ballot to take place in Britain for the Heart of London and the first city-wide BID for Coventry. BIDs for Industrial areas appear to be increasing, accounting for a third of the BID ballots this year to date (Industrial BIDs account for 21% of all BIDs in Britain).

The next two BID ballots will be for two areas in Waltham Forest, East London:

**E11 BID** for Leytonstone town centre

**Argall BID** covering an industrial area

#### 2007 YES votes

- InSwindon BID
- Cater Business Park
- Coventry city wide BID
- Angel Town Centre BID
- Heart of London (**Renewal**)
- London Riverside BID
- Croydon BID
- Erdington Town Centre BID
- Cannock Chase

#### 2007 NO votes

- Chester BID
- Southport (re-ballot)
- Bayton Industrial Estate

For full details of all the ballot statistics visit [www.britishbids.info](http://www.britishbids.info)

#### Nationwide BID Survey

British BIDs will shortly be conducting the next round of surveys with all of the new BIDs to update our Nationwide BID survey, which was the first of its kind back in November 2006.

For a summary of the 2006 survey results get in touch via [contact@britishbids.info](mailto:contact@britishbids.info)

### **The Lyons Inquiry - analysis of and implications for BIDs**

The recently published final report from Sir Michael Lyon's independent inquiry into the future role, function and funding of local government - Place-shaping: a shared ambition for the future of local government covers a wide range of recommendations for the short, medium and long term. The report considered the BID model in detail and we have identified the report's recommendations for a Supplementary Levy on business rates and a review of the Local Authority Growth Incentive (LAGBI) scheme as particularly likely to have implications for BIDs.

#### **The Lyons view on BIDs**

The Inquiry examined the current Business Rate system in detail and in doing so also identified both the advantages of BIDs and what it considers to be their limitations.

The Inquiry found that through BIDs, local authorities and businesses can work together effectively to improve an area. Lyons reports that BIDs have been welcomed by many businesses and business groups as they are business-led, have addressed business priorities, are accountable to those paying the levy and provide genuinely additional resources. However, Lyons also set out what he sees as the restrictions of BIDs: specific and limited purpose; the negative effect of administration and development costs on their effectiveness and impact; and short-term priorities (Lyons suggests that if property owners were compelled to pay the levy longer term investments would be given more precedence).

The Report's recommendations on a supplementary levy draw on the positives identified in the BID model, as well as seeking to overcome the limitations Lyons sets out. Other aspects of BIDs operation in practice are also considered, such as the upper limit of levy charges (currently 4% in one isolated case), thresholds exempting smaller businesses and a detailed deliberation of whether a supplementary levy should require a business vote of approval.

#### **A Supplementary Levy**

The report recommends the introduction of a new local flexibility to set a supplement on the current national business rate and proposes that this rate should be locally decided and determined; additional (new revenue for new improvements, rather than being taken into account in central government grant allocations); transparent to businesses and other local taxpayers; and agreed within the local community (with the local business community having a strong voice in the decisions).

The Report also recommends certain features for the Supplementary Levy: an upper cap on the levy; a statutory consultation (rather than a vote – although the report does not discount

the introduction of a voting system by local authorities); hypothecation of the supplement to the approved purposes; no universal time limit (to enable long-term improvement projects); impact assessment of the levy on the local economy; the restriction of application of the levy to upper tier and metropolitan authorities, and for London, a London-wide supplement; and a lower threshold to exempt smaller and certain other businesses.

It is difficult to predict the potential impact on BIDs of the detail of this proposal, but we have drawn out a few observations at this stage-

- The basic principle of implementing a supplementary rate and a BID levy in the same area may prove too much for the local businesses to bear.
- If the supplementary rate can be applied through consultation only, rather than through a voting mechanism, it may prove easier to implement a supplementary rate in an area rather than a BID levy that requires an independent ballot process.
- However, BIDs have proved to be accountable and transparent due to the nature of operating at a very local level and therefore businesses may be keen to protect the concept of BIDs above a potentially less accountable supplementary rate.
- With no universal time limit imposed, it may prove difficult to plan and predict when a supplementary rate may be applied and how this might affect an existing BID levy on a fixed term of five years.
- With the local authority being required to undertake an impact assessment, this should ensure that consideration of existing or planned BID levies are taken into account.
- With only upper tier (i.e. Unitary or Metropolitan) authorities being able to apply the supplementary rate, this means that the coverage of such a rate would be considerably wider than any BID mechanism.
- But for London, it is hard to consider how 33 boroughs, the GLA and the business community will come to an acceptable arrangement to apply a single supplementary rate across the capital.

### **Review of Local Area Growth Incentive (LAGBI) scheme**

The report recommends the reform of the current system to deliver a more transparent and long-term incentive scheme. A key feature of the recommendation is to move from the current system of incentivising local authorities for growth in the number of rated properties, to adding a provision for incentives related to growth in the value of rated properties.

We have identified two key areas of relevance of this recommendation to BIDs.

- The incentivisation of local authorities to improve the local Rating List should enhance the accuracy and quality of the data provided to BID Proposers for their

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development work, thereby reducing the resources the BID needs to devote to updating the list to a satisfactory level (as is often the case).

- There is scope within LABGI to cover the costs of collection of the BID levy, thereby providing the collection service free to the BID and ensuring BID income to spend on projects is not impacted by disproportionately high collection costs – thereby overcoming one of the limitations of BIDs Lyons identifies.

The argument that BIDs should benefit directly from LABGI funding should Lyons' recommendations be put in place can be taken even further, if you follow the line of thought that as BIDs improve an area, the business tax base increases. If this increase in the value of business properties is then reflected in LABGI incentives to the local authority, a BID has a strong claim to the LABGI funding both for development costs in anticipation of improvements and on an ongoing basis.

The paper written for the LDA London BIDs programme entitled *Lyons Inquiry into Local Government - Review of the Impact on BIDs*, (referred to in the adjacent article), along with the full Lyons Inquiry report can be downloaded from the [British BIDs website Document Centre](http://www.britishbids.info) at [www.britishbids.info](http://www.britishbids.info)

### Upcoming events

- **British BIDs Seminar: Going Green – Early June 2007**
- **British BIDs Seminar: The Impact of BIDs – Early July 2007**

### Editorial notes

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If you have any comments on the content of this newsletter, would like further information on any of the items or would like to provide ideas or content for future editions of the newsletter please send these to [contact@britishbids.info](mailto:contact@britishbids.info)