

# British BIDs

## Quarterly News April 2008



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### **Bb Research: Collection charges**

The BID Regulations give the local authority the responsibility to collect the BID levy on behalf of the BID company and they are allowed to make a 'reasonable charge' for this activity. There has been considerable debate about the level of this charge and whether it is in proportion to the amount of levy collected.

While it is fairly standard for the BID to pay a collection charge either as an annual amount or as a percent of total budget, our research suggests that there are considerable differences in the amounts BIDs are charged ranging from – seven paying nothing; the smallest charges being £500 per annum (Albion Business Consortium) and £5,000 per annum (Keswick) and the highest charge being £30,000 (Holborn and Kingston). However, the two BIDs paying the highest 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.

There has been a variety of methods of determining a BID levy collection charge but the only real comparison between BIDs can be the unit cost, i.e. based on the number of businesses that would be charged the levy.

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### **British BIDs events**

#### **British BIDs Summer Conference: BIDs - Innovation and Value**

The second British BIDs conference is a one day conference on Thursday, 26th June and will take place in central London.

The conference will explore how BIDs enhance and demonstrate their worth, as seen by both the BIDs themselves and businesses with interests in several BIDs.

Speakers from national companies, including The Mall Corporation, will look at what they want to get out of BIDs; and BIDs from around the country (including Ipswich and Plymouth) will talk about how they secure additional funding to enhance their BID offer.

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### Collection charges continued..

This does not include businesses that are part of the BID but fall under the rateable value threshold set by the BID, as one of the key reasons for having this threshold is that there would otherwise be a net cost to collect anything below this level. The highest levy collection charge per hereditament is £114, with the average being £35. The highest collection charge as a percentage of annual BID levy income is 6.63%, with the average being 3%.

Increasingly, local authorities are looking to cover the collection charges through other funds such as LABGI in the case of London Riverside.

The full report on levy collection charges is available to download from the Document Centre of the British BIDs website [www.britishbids.info](http://www.britishbids.info).

### BIDs in Scotland- similarities and differences

Three BIDs have now been to ballot in Scotland: Inverness, Bathgate and Clackmannanshire – and all three have been successful. There are five more BID ballots already planned for this year in Scotland (Edinburgh and Falkirk in May and Alloa, Glasgow and Dunfermline later in the year). No doubt more will follow.

Inverness BID covers the heart of the city centre and has promotion and marketing, advocacy and security as its priorities. A key focus is attract and retain new customers to the area by ensuring quality and properly funded marketing campaigns, events and attractions and management of the public realm.

Enterprising Bathgate is seeking to build on the strengths of a town centre affected by the closure of several large businesses and the development of a nearby out of town shopping area. The BID has five key themes: Perception and Image, Accessibility, Clean and Attractive, Facilitation, and Safe and Secure. **Continued on next page..**

### Bb events: Summer Conference continued

There will also be a choice of Workshops and a Study Tour on offer focused on Operations and Community Protection, Developing a BID and the work of the nearby Chancery Lane Association.

**For further information and to book your place, please email:**

[bookings@britishbids.info](mailto:bookings@britishbids.info)  
or see the conference pages on our website:  
[www.britishbids.info/conference](http://www.britishbids.info/conference)

### Chairs Network

Our regular Network session for the Chairs of established and developing BIDs is coming up aimed at addressing topics chosen by members. This session is being held in Hammersmith, London on Tuesday, 29th April and will be looking at BID Finances, including: Sourcing Additional Income; Financial Planning and Management; and Staff Pensions. This event is free of charge and only open to British BIDs members.

### Scottish BIDs continued..

Clackmannanshire BID covers ten business parks and its priority projects include joint procurement of services, energy efficiency and waste management support services and better signage for all the business parks.

The Scottish BIDs legislation has some significant differences to the English legislation, perhaps most significantly with regard to the optional formal inclusion of Property Owners. The Scottish legislation allows for the liability of the BID levy to be placed on both owners and occupiers. The legislation further specifies that a BID levy charge can be apportioned between owner and occupier with the BID proposer deciding how it should be apportioned. The same apportionment must apply across the entire BID area. The Inverness BID applied a 1% levy on Rateable Value and then apportioned this evenly between the property owners and occupiers, so that in effect each pays 0.5% of rateable value. For the Clackmannanshire BID, a 2.5% BID levy was applied (a higher levy in-line with other industrial area BIDs) with 1.5% being apportioned to property owners and the remaining 1% to occupiers. Bathgate chose not to include owners in their BID model.

Other differences between the two legislations are perhaps less significant:

- 1) Support for BID Proposals: A least 5% of those eligible to vote in Scottish BIDs must demonstrate support for the BID Proposals before a ballot can be held. In England this requirement was included in an early draft of the regulations but is not part of the final version. However many BIDs adopt this principle in any case as best practice.

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### Review of British BIDs First Annual Conference – ‘Opening up BIDs’

Just over a year after being set-up, British BIDs held its first Annual Conference and Dinner, sponsored by HBOS plc, on 4th and 5th February in Edinburgh. Entitled ‘Opening up BIDs’, the audience of formal and prospective BIDs and many businesses heard from a number of speakers including Ian Broadfoot, Edinburgh City Centre Manager, who is leading the team taking forward the Essential Edinburgh BID, one of the six pathfinder BIDs in Scotland. He said, “The Essential Edinburgh team was really pleased to welcome the inaugural British BIDs conference to Edinburgh. It was a great opportunity to learn from the people who are making a real difference in town and city centres in England by delivering BID services, as well as a chance to show off our city and also explain what we intend to deliver in the event of a successful ballot on the Essential Edinburgh BID proposal in May.”

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### Scottish BIDs continued..

- 2) Voting: Unlike in England, in Scotland the BID informs the Local Authority of the persons eligible to vote. In England the Local Authority is responsible for drawing up this register which has led to considerable problems with voter identification. In line with the apportionment of levy, both owners and occupier are able to vote in Scottish BID ballots. There is a 25% turnout threshold on both number of voters and rateable value in Scottish BID ballots – there is no threshold for English BID ballots. It is also possible for a Scottish BID proposer to prescribe the majority level required to achieve a successful ballot (as long as it exceeds 50%; this can be applied to the straight majority and to rateable value).
- 3) Levy Collection: The Scottish Legislation allows for a daily charge collection system, meaning that any changes to the owner and/or occupier during the term of the BID will be reflected in the levy charge. Although this is not allowed for in the English legislation it is a practice adopted by many BIDs in their BID levy rules.
- 4) Cross Borough BIDs: The Scottish legislation allows for these to exist with the appointment of one local authority as the billing body. Although this was allowed for in the English Act it was omitted from the regulations and therefore cannot currently be implemented.

For further information on BIDs in Scotland see:  
[www.bids-scotland.co.uk](http://www.bids-scotland.co.uk)

### Review of 1<sup>st</sup> Bb conference continued..

The British BIDs conference was very timely. On 4th February John Swinney MSP addressed members of the Scottish pathfinder BIDs and other stakeholders with the news that from April 1st 2008, those wanting to develop a BID will be able to apply for a one-off grant of up to £15,000. This will give essential backing to groups in towns, villages and cities that come forward with a convincing set of proposals to make it easier to do business locally using the BID framework.

The British BIDs audience heard how BIDs were developing around the country, and some of the successes as well as the pitfalls to avoid. Helen Santer, Director of Operations at Waterloo Quarter Business Alliance (WQBA), explained how her team was preparing to extend the current BID area into the neighbouring borough of Southwark, to take into account the natural commercial area of Waterloo. WQBA has since won their extension ballot and commenced operation in the neighbouring borough.

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### Contacts at national multiples

We have good news for all those BIDs trying to track down the voters for national multiples in their area. The British BIDs team has been working hard to identify who BIDs should be contacting for their ballot. We currently have a database of 327 multiples with some or all contact data and this list is freely available to our members. If you would like a copy please email [contact@britishbids.info](mailto:contact@britishbids.info). We have already assisted a number of our members through their first ballot and we are assisting some of those facing their renewal ballot with the new contact database.

If you are not yet a British BIDs member and would like to join please email [contact@britishbids.info](mailto:contact@britishbids.info)

### Business Rate Supplement

Fears over the impact of BRS on BIDs continue to grow following research carried out by British BIDs on the affect of the proposed threshold on BID areas. Details of the research and thoughts from the industry were debated at a meeting held by British BIDs in partnership with the Association of Town Centre Management.

The Government's proposed model for the Business Rate Supplement involves four levels of protection for business, but will these really act as 'protection' to the BID industry:

- Revenue from supplements will only be available for spending on 'economic development'. Local authorities will have to set out their plans in detail, and businesses will be able to participate in full statutory consultation;
- A national upper limit of 2p in the pound will be set on the level of supplements that can be levied;
- To protect smaller businesses from disproportionate burdens, properties liable for business rates with a rateable value of £50,000 or less will be exempt from paying supplements; and
- Where the supplement will support more than a third of the total cost of the project there will additionally be a full 'double-lock' ballot of businesses affected. **Continued on next page..**

### Review of 1<sup>st</sup> Bb conference continued...

Hull's City Centre BID Manager, Ken Baldwin, presented the wide array of projects and events that the Hull BID is delivering, including transporting 30 tonnes of snow to the City Centre for a snowboarding extravaganza and introducing Hull Comedy Festival. Mel Richardson, who developed the BID in Truro and is now working on developing BID in Falmouth, talked about engaging with businesses using a number of different methods including radio and TV broadcasts and a series of articles in local newspapers. Supportive businesses were also encouraged to display window stickers and the BID produced a variety of publicity such as banners, brochures and a display board showing 'reasons to vote yes for the BID'.

The assembled delegates were also given the perspective on BIDs from every corner of the country, with nationwide showcases from England, Scotland and Northern Ireland. **Continued on next page..**

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### **Business Rate Supplement continued..**

Research and consultation is continuing on this issue in preparation for an anticipated Government consultation ahead of the formal legislative process.

**For more information or to give your thoughts to the British BIDs team on the issue of BRS please email [contact@britishbids.info](mailto:contact@britishbids.info)**

### **DCLG Property Owner Review**

The review of the formal role of property owners in BIDs in England and Wales is soon to enter the final stage of consultation with BID partnerships. York Consulting, the agency commissioned by DCLG to undertake the study, is currently preparing the questionnaires for the third round of research, which will then be written up into a final report due for completion by the end of 2008. Publication of the second interim report is still awaited, following research in Spring 2007.

### **BID focus: Plymouth's Summer Festival**

This quarter the BID Focus is on the Plymouth Summer Festival, which is a marketing initiative conceived by the BID. The project targets additional day visitors to Plymouth through improved marketing of existing citywide events under the umbrella of a new festival identity. The main impetus driving this initiative was twofold: firstly, though Plymouth has a superb events programme it has lacked marketing co-ordination to punch it's weight regionally; and secondly, research suggests that every tourist pound generates 35p for the retail sector.

To develop this festival concept, the BID hosted a workshop in February 2007 with over 50 attendees. They presented a vision of a single festival with shared marketing resources and convinced the delegates that there would be greater impact in pooling marketing resources.

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### **Bb 1<sup>st</sup> conference review continued..**

Dr Julie Grail Chief Executive of British BIDs summed up at the conference; "BIDs work really well in areas that are appropriate for them. BIDs mean engagement with businesses and they act as a catalyst to enable change to happen." She also cautioned that proposed changes in policy could spell potential disaster for BIDs, namely the proposed Business Rate Supplement due in 2010, when many BIDs will be renewing their BID term for another five years. "The Government and businesses like effective BIDs, but given the choice between a mandatory supplement like the Business Rate Supplement and a BID levy, which businesses can vote on, it is clear that unless the BID levy is offset, allowing some of the business' contribution to remain local, from 2010 businesses will find it hard to vote for BIDs."

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### **Plymouth's Summer Festival continued..**

This generated pledges of £75,000 which were used to successfully bid for match funding for a further £75,000 from the City Development Company. The funding pledges were all for 2 years to ensure continuity. The City Centre Company, as a subsidiary with a board representative from the visitor sector, was designated to deliver the project management.

To ensure that the festival creates the planned impact, the company established a new festival brand that packaged 25 major events occurring in the City Centre, waterfront, and various venues incorporating arts, music, maritime, food, and sport. The marketing for the event consisted of 100,000 brochures, a website, bus side, radio and print advertising. Moreover, to create a festival atmosphere and drive web traffic they also dressed the city with 350 lamppost banners and flags.

The project received universally positive feedback and was successful in creating a new retail peak during the summer. The visual impact of the festival banners was impressive and resulted in 100,000 website hits. The event generated 100 press articles and 20 TV features valued at £250,000. Research concluded 75% of visitors to the city were aware of the festival and 48% had visited specifically for an event. The average visitor spend was £40 higher than the regional average at £92. The City Centre attracted over 300,000 additional day visitors during 4 months.

The key lesson here is that City Centre management is perfectly placed to facilitate bringing together different organisations under a single marketing banner. The approach adopted in Plymouth was flexible and can be easily applied to different season or festivals.

### **Bb 1<sup>st</sup> conference review continued..**

Ken Bruce, Chairman of the Inter Bank Rating Forum and Manager, for Group Property at Royal Bank of Scotland said, "Thanks for delivering a fast paced, informative and highly topical BIDs conference, all wrapped up in a fantastic location. I thought the format was varied and satisfied BIDs at all stages of development or evolution."

The BID team at Hammersmith London felt the same way. They decided to use the British BIDs conference as an opportunity to spend some time together as a team, both as a chance to network and learn from other people and as reward for all the hard work over the last year. Arun Sondhi, Executive Director, said "The whole team really enjoyed the informal atmosphere and we certainly benefited from the chance to spend some time together. Being out of the office for two days without the demands of the day job meant that we were able to look wider than our BID in London and gain some fresh insight and ideas."

### First cross-borough BID in London starts operations

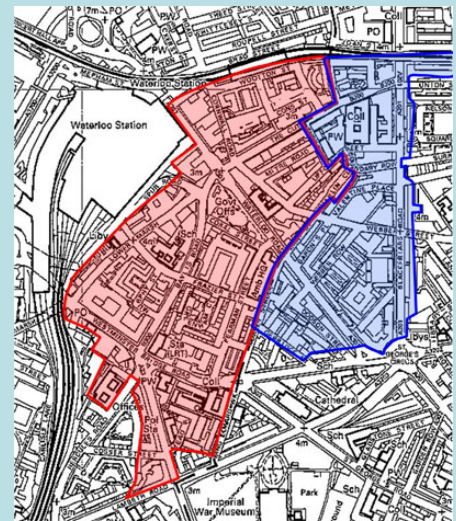
The Waterloo Quarter Business Alliance (WQBA) won its ballot in February, becoming the first cross-borough BID in London and only the second in the country. This allowed the Southwark and Lambeth parts of the commercial area of Waterloo to join up under one BID organisation. The other cross-borough BID is run by Segensworth Business Forum and covers an industrial estate in parts of Winchester and Fareham.

Since April 2006 WQBA has been operating as a formal BID in the borough of Lambeth (the area shaded red on the map right). WQBA wanted to extend the BID area into Southwark (shaded blue on the map) to develop an overall BID boundary that reflected the natural commercial area of Waterloo, which is currently awkwardly bisected by the borough boundary, leading to a disparity of services for businesses.

There is a major problem with the Regulations in England, which presents an unnecessary administrative burden on potential BID areas that cross borough boundaries. Currently the Regulations do not allow for a BID to cross a borough boundary, therefore two separate BIDs must be created, which can then be run under one umbrella organisation, as in the case for WQBA. This is not insurmountable, provided businesses are fully engaged and are provided with a clear rationale for the arrangements and a clear operating structure. Nevertheless, lobbying by British BIDs will continue to make a case for the Regulations to be reviewed with regards to this matter.

For WQBA there were some comparisons with having a renewal ballot, as it had already been operating for nearly two years when it approached Southwark businesses about the extension proposal.  
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### WQBA area map



### Job Vacancies

#### Inverness BID Manager

Closing date: 22nd April  
An exciting opportunity to head up this new BID.

#### Argall BID Administrator

Closing date: not specified  
An exciting opportunity for an experienced administrator to support the BID Board.

Details of all vacancies can be found at [www.britishbids.info](http://www.britishbids.info)

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### **WQBA - 1st London cross-borough BID continued..**

Businesses in Southwark were keen to know what had already been achieved in the Lambeth area, so the WQBA team made sure they had facts and figures at their fingertips. Not only that, but positive testimonials from satisfied businesses in the Lambeth area were invaluable in persuading businesses of the benefit of a BID.

Now the team is busy starting work to include the Southwark BID in the BID Board & management structure, which will oversee the activities of the two BIDs (Southwark and Lambeth) operating under the company as a whole. The Southwark BID will operate as a separate trading arm under the umbrella of WQBA and will maintain a separate cost code in the financial reporting. At the AGM for WQBA the accounts for the two BIDs will be presented as separate agenda items.

There will be one Board for the company as a whole, consisting of representatives from both BID areas. WQBA will aim to keep the ratio of businesses on the Board at approximately two Southwark businesses for three Lambeth businesses to reflect the numbers of hereditaments in each area. The same will apply for the membership of the BID's four sub-groups.

The ballot was convincingly won with a vote in favour of 84%, which represents 93% by rateable value.

**For more information on the Waterloo Quarter Business Alliance see: [www.waterlooquarter.org](http://www.waterlooquarter.org)**

### **Finding Funding Focus:**

This quarter the Finding Funding focus is on the re-launched People's Millions fund by the Big Lottery Fund. Through the People's Millions, BIG wants to fund projects that transform the local environment or provide opportunities or facilities to allow people to take part and enjoy their local area. The maximum grant will be £50,000 plus VAT. Funding will be mainly for capital costs and could include improvements to land, for open spaces or allotments, other forms of landscaping, buying land or temporary buildings, construction work, improvements to access, fixtures and fittings and the purchase of equipment. Organisations that can enter the People's Millions include voluntary or community groups, public bodies such as local authorities, schools, or statutory health bodies and social enterprises. The closing date for applications is 12 noon on the 15th May 2008. More details can be accessed at: <http://www.biglotteryfund.org.uk>

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### WQBA - 1<sup>st</sup> London cross-borough BID continued

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**For more information on the Waterloo Quarter Business Alliance see: [www.waterlooquarter.org](http://www.waterlooquarter.org)**

### Ballot result updates

The following are BID ballot results since the last newsletter (December 2007)

#### Yes

New West End Company (renewal)  
Waterloo Quarter Business Alliance (cross boundary extension)  
Dorchester BID  
Coventry City Centre (renewal)  
Daventry BID  
Enterprising Bathgate  
Inverness BID  
Royal Leamington Spa  
Clackmannanshire BID  
Lancing BID

#### No

None

### Forthcoming confirmed ballots

(to the end of the second quarter of 2008)  
Shrewsbury  
Falkirk  
Hams Hall  
Essential Edinburgh

### 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)

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