

SECTION SEVEN

BUSINESS IMPROVEMENT DISTRICTS (BIDS)

The **Business Improvement Districts (England) Regulations 2004** came into effect of 17th September 2004.

A Business Improvement District (BID) is a partnership arrangement through which local authorities and the local business community can take forward schemes which will benefit the local community, subject to the agreement of non-domestic rate payers. Under a BID proposal, ratepayers will agree to pay an additional levy on their rate bill. Those ratepayers will decide in advance what the amount of the additional levy should be, and what it should be spent on. The BID will only come into operation if a majority of ratepayers (by number, and by overall rateable value) in the defined BID area agree to it. Lincoln was identified as one of a number of national pilots to trial the concept. The necessary ballot took place in April 2005, and resulted in 79% of the businesses (83% by Rateable Value) in support of the scheme.

A BID can be established in any place where additional services to those which the local authority provides are desired by the local business community. BIDs, most logically would be located in town centres (or parts thereof), although some early BID pilots have looked at the whole of a small town.

A number of pilot projects have been running prior to the introduction of the regulations, and a number of ballots are shortly to take place, the first being in Kingston-upon-Thames. From those BID pilots being advanced, the emerging priorities identified by the business communities in those areas, follow a number of recurring themes;

Examples of improvements BIDs can achieve;

- **Clean and Safe;** Enhances street cleansing above and beyond defined standards of the local authority. Enhanced services in terms of additional security measures (wardens etc) and CCTV enhancements.
- **Marketing and Events;** Incentivised events and activities to draw visitors to an area
- **Transport & Accessibility;** Enhanced accessibility through improved public transportation measures, or incentivised parking arrangements
- **Inward Investment and Development;** Attracting new businesses and raising the profile of an area.
- **Tourism;** Promoting increased footfall through tourism and marketing campaigns.

Under the provisions of the Regulations, there is no specific limit to the amount of the levy that may be imposed, although experience from the pilot BID's would suggest a 1% levy (of rateable value) to be the norm. BIDs would normally run for a five year period, following which they would need to be renewed by a fresh ballot.

By way of example, the BID for Lincoln city centre (broadly defined as the retail extent) is expected to raise in the order of £300,000pa from the business levy.

An essential element of the BIDs process is that the scheme is intended to be developed by the business community, for the business community. It is the business community that identifies what projects and services are delivered with the levy raised, and they who administer scheme. Whilst the local authority would have a key support and enabling role in this process (not least in terms of collecting the levy), it should be business led.

A fundamental feature of the services and projects that a BID delivers are that those services should be additional to what the local authorities in an area are committed to delivering as a matter of course. This said, there can be no absolute certainty that the level of funding presently being targeted towards town centres is guaranteed in the long term, and BID schemes, in tandem with a committed level of local authority funding may represent a sustainable long term funding mechanism for town centre projects. Some of the pilot BID projects have actually pegged local authority contributions to town centre development / management directly to the levy raised through the BID.

Established (and emerging) TCMP structures, with any associated business club organisation would seem to be an ideal vehicle through which to develop the BID concept. In the next few months, we are proposing to hold a number of seminars with TCMP's and local businesses to raise awareness of Business Improvement Districts, and to identify a way forward.

Given the robustness of the Business Club, and the scale of the town centre, Grantham would seem to be the ideal location to trial the BID's concept. Some budgetary provision has been made this year for the development of BIDs. It is considered that this funding could be used to appoint, on a temporary basis, either a dedicated Project Manager, or a 'BID Champion' who would be responsible for championing the BID concept to target businesses and assisting in formulating the business plan for the BID. This post, or assignee, could report either directly to the TCMP or to the Business Club.

Cabinet are asked to endorse the BID concept, to support the trialling of a BID in Grantham, and for the application of funds to support the progression of a BID.

ACTIONS:

- 29. Support the principle of Business Improvement Districts, and working with the TCMP and the Grantham Business Club, implement an initial pilot project in Grantham**
- 30. That the District Council promotes BID's to the business community, through a launch-seminar and the use of a 'BID-Champion'.**

