The Evolution of London’s Business Improvement Districts

10th March 2016

GREATERRONDONAUTHORITY
BIDs in London today

- Total annual levy income: £24.9 m
- Total number of firms in BID areas: 61,000
- People employed in BID areas: 905,250
- Businesses on BID boards: 489
- Local authority representatives on BID boards: 56
- Total turnover in BID areas: £356.5 million
- Total additional income: £5.5 million
- Partnerships with key stakeholders: 78
- Total number of levy-payers: 13,300
- Full-time employees: 156
- Additional services provided by BIDs: 287
- Property owners on BID boards: 66
• Council funding cuts
• Business rates devolution
• 2017 rates revaluation
• Crossrail supplement, National Living Wage, Apprenticeship Levy

Projected expenditure on services 2010-20 London local government (London Councils)
The Evolution of London’s BIDs

Research rationale

• 50-BID target met; incoming mayor

• Economic data is somewhat inconclusive

• Look at examples of successful projects, collaboration, impact

• Look ahead to see what support is needed to deliver more
Scope:
High-street and town-centre BIDs, as at October 2015 (36 BIDs)

Methodology:
Interviews, survey, data analysis, case studies
SWOT: Strengths and Weaknesses

**Strengths**
- Define and promote a geographic area
- Have reliable five-year income stream
- Have clear focus on membership
- Respond nimbly and with local knowledge
- Provide enhanced services to their areas
- Deliver public realm projects for the wider community
- Improve area safety and security
- Provide conduit for boroughs and pan-London entities to engage with business
- Advocate on behalf of BID members and area
- Leverage funding from different sources
- Initiate/support inward investment
- Broker and develop partnerships between public, private and voluntary sectors
- Have formal working agreements with host boroughs
- Have ongoing national political support

**Weaknesses**
- Don’t always have funds to match ambitions
- Conflicts between business and borough interests, and occupiers (levy-payers) and property owners
- Can’t always demonstrate hard economic impact
- Less professional BIDs hamper overall sector maturity
- Lack of awareness (businesses, boroughs, residents) of BIDs and their impact
- In strengthening thriving areas, BIDs can increase inequality, and shift socio-economic problems to surrounding areas
- Other business networks compete to broker services
- Those against privatisation of London’s public space could find BIDs unpalatable
### SWOT: Strengths and Weaknesses

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SWOT: Opportunities and Threats

Opportunities

- Local authority cuts could provide opportunities to bid for more borough services
- Cuts could allow greater role as agents of economic development and regeneration delivery
- Rates devolution could make BIDs more pivotal as strong conduit between council and businesses
- Localism agenda could mean long-term role in place-making through Neighbourhood Planning
- Strengthen borough and public relationships through increased visibility/accountability
- Reduce costs through more joint procurement and shared services
- Establish more property-owner BIDs to increase levy income for designated areas
- Growing focus on place-based giving initiatives and the opportunity to link with BIDs work on CSR

Threats

- Local authority cuts leave BIDs vulnerable to picking up services not in their business plan or skill-set
- Budget pressures of rates devolution could strain BID–borough relationships
- Additional levies could compete for business revenue
- Continuation of permitted development (office-to-residential) could undermine BID base and income
- Rates revaluation could mean unsustainable hikes in businesses’ tax burden in growth areas
- Increasingly competitive funding landscape
- Streamlined process for BIDs to form neighbourhood plans could give developer members disproportionate influence over area
- Insufficient stewardship could lead to BID business community turning against it
- BIDs may lack capacity to benefit from collaboration
- GLA/LEP could reduce funding/support for BIDs
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• BIDs are:
  • Service providers
  • Incubators and catalysts
  • Conduits to businesses
  • Influencers and campaigners
  • Research and data repositories
Collaboration

- Economies of scale
- Shared boundaries
- New public private partnerships
- Opportunities of devolution
- Collective voice for business and for London

Source: adapted from Cross River Partnership
The Evolution of London’s BIDs

- Transparency and accountability
- BID boards
- Quality standards and accreditation
- Skills and training

**Governance**

![Board Representation Chart]

- Local businesses
- Local authority
- National business
- Police
- Voluntary and community organisation
- Resident/community group
- Other

2012 vs 2015 representation
Potential Projects

**Employment and training**
London Living Wage, Work and Health Programme, Apprenticeships in London

**Regeneration**
The Lowline, London’s major railway stations, town centre renewal

**Financial innovation and local investment funds**
Explore alternative financial instruments; diversify and leverage funding for greater impact

**Crossrail**
Support town centres linked by Crossrail 1 and 2
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**Recommendations**

**Greater London Authority**

**Quick wins**

- Continue to provide non-financial support (materials, officer advice, introductions, grant application guidance) to new and prospective BIDs
- Continue to offer start-up grants and prioritise BIDs in boroughs without a BID and/or areas which would clearly benefit from one
- Ensure that new and existing BIDs are aware of GLA resources, including the legal templates
- Commission an updated version of the BIDs Handbook to provide stronger guidance on governance
- Help BIDs promote themselves better, e.g., develop a case study bank promoting examples of collaboration and innovation
- Help BIDs engage more with all GLA directorates and project areas
- Encourage BIDs and boroughs to collaborate on funding applications
- Convene a group to share experience and best practice on BIDs’ engagement in Neighbourhood Planning
- Lobby/discuss with DCLG how to avoid BID board members gaining unfair commercial advantage in Neighbourhood Planning process

**Longer term**

- In collaboration with BIDs, trial a user-friendly impact assessment toolkit to measure social return on investment, and encourage consistent data-gathering from the beginning of a BID’s lifecycle
- Encourage the creation of a risk register which identifies possible threats to all parties, and make this available in the GLA BIDs Handbook
- Develop a space for reporting BID performance/impact data within the London data store
- Establish a pool of freelance or seconded staff (akin to the GLA regeneration team’s Specialist Assistance Team or the defunct CABE enabling panel) that BIDs can tap into for mayoral priority areas such as air quality, employment and skills
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Business Improvement Districts

Quick wins
• Engage with boroughs regularly. Request a seat at the table when policy matters are being discussed, eg business rates devolution and taxes.
• Follow and share principles of good governance, such as transparency, consistency, avoidance of conflicts of interest
• Set up piggybacking and mentoring relationships between established and new BIDs
• Make time to attend BID network meetings

Longer term
• Increase professional development for boards and staff, including using existing learning and development programmes
• Explore links with relevant European city/BID networks and apply for relevant EU grant funding, eg through Access Europe
• Increase joint commissioning of services and sharing of back-office resources and professional expertise
• Develop BIDs’ collective voice as a vital business lobby, in a similar way to BIDs’ lobbying on behalf of northern city-regions
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Local Authorities

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• Talk with BIDs about providing services before they become vulnerable to cuts
• Establish BID’s main point of contact and ensure regular dialogue; allow officer time
• Set up regular forums for BIDs within a borough to discuss shared interests, joint purchasing and other efficiencies
• Use BIDs as a conduit to seek views of businesses and as a partner on consultations

Longer term
• Integrate BIDs into town centre strategies
• Include BIDs in development of service-delivery plans
• Explore taxation options that nurture local businesses, eg late night levy discounts/exemption
• Include BIDs in any relevant work of multi-borough growth partnerships
• Continue to support organisations which facilitate BID/LA collaborations
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