

Local Authority Guide to



Business Improvement Districts

Who is the Guide intended for?

The Guide is intended for local authorities in London that are either currently or potentially involved in assisting with setting up a Business Improvement District (BID) in their borough. The Guide is specifically aimed at Regeneration Departments within a local authority but due to the nature of BIDs other departments such as Electoral Services, Ratings, Legal, Planning, Highways and Environment will also become very involved as the BID process develops. The Chief Executive's and Leader's offices should also be aware, positive and involved, as should other senior members and officers.

What is a BID?

A BID is a flexible funding mechanism to improve and manage a clearly defined commercial area. It is based on the principle of an additional levy on all defined ratepayers following a majority vote. Once the vote is successful, which must achieve both a majority in terms of number of ratepayers and the proportion of their rateable value, the levy becomes mandatory on all defined ratepayers and is treated in the same way as the Business Rate, becoming a statutory debt.

The experience from around the world demonstrates that there is no optimum size or type of BID, but it should be designed to be fit for purpose in each individual case. BIDs exist on very different scales and type of operation, all of which are highly successful in their own contexts.



The first pilot BIDs in the UK were brought about through The Circle Initiative, a scheme that began in 2000 with Single Regeneration Budget funding from the London Development Agency to fund five pilot BID areas in central London over

five years. This scheme was followed two years later by the Association of Town Centre Management (ATCM) pilot project that looked at 22 areas around the UK over three years.

The Government White Paper "Strong Local Leadership – Quality Public Services" was published in December 2002. In 2003 the Local Government Act received Royal Assent with Part 4 referring to Business Improvement Districts. The UK Business Improvement District Regulations (2004) were passed by Royal Assent in September 2004. This allowed the first BID ballot to take place in Kingston, with a successful result on 16th November 2004.

Where can BIDs be useful?

The arrangement whereby the BID levy is on the occupier rather than the owner (as elsewhere in the world) will certainly make a difference to the roll-out of BIDs in England, not least the type of area that is likely to progress to a BID. Currently all successful BID ballots to date have taken place in predominantly retail or office areas that are not too run-down, where businesses can afford a small extra outgoing to make improvements to their area. When reliant on the levy income from occupiers, it is highly likely that areas of severe decline and high levels of vacancy will not be good candidates for a BID given the marginal nature of the businesses operating there. BIDs will also rely on a certain amount of up-front funding to get them off the ground initially, whether this is from business or property owners, the local authority or public funding from another source. A number of partnerships are looking at BIDs in industrial areas and it is here that some of the next wave of BIDs is likely to be seen.

Why the local authority should be involved in BIDS

The local authority has an important role in assisting the development of a BID. It is vital that the proposed BID has the support of the local authority and necessary that a strong partnership is formed between the local authority and the BID proposer at an early stage. A BID can help the local authority to establish relationships with businesses where none may have existed before, or develop existing ones, and this will help in balancing business needs with those of residents. Local authorities can work with businesses through the BID mechanism to improve the safety, cleanliness and marketing of an area. This will benefit not only the businesses but all those who live in, work in and visit the area. In this way BIDs can also help local authorities to achieve their statutory aim of improving the economic, social and environmental well-being of their communities.

Most BIDs will offer at least one service, which complements and adds to those already provided by the council, such as an extra street cleaning team. Therefore a BID is also likely to have an impact on service delivery for local authorities. If this is the case, a detailed baseline agreement will need to be drawn up that will set out the council's responsibility for each service that the BID will be complementing. The council will have to adhere to this agreement to ensure that businesses can see that the BID is adding to council services as opposed to replacing them. One of the key issues for businesses in deciding to support a BID is that they must feel assured that the council will not reduce or remove existing services that it provides.



Developing a BID

The steps below assume that there is an effective partnership already in place, which has good communications with the local businesses and could be a suitable starting point for a BID proposer. The BID proposer may either be an existing partnership, a local authority, or a

group of businesses. The development of a BID from this point to ballot stage takes approximately two years, depending on levels of funding, support and staff resource. It could cost anything between £100,000 and £500,000. The steps are designed sequentially but in reality more than one of these stages may be undertaken at the same time.

The local authority may well be involved from the first development stages described below. There are benefits associated with this, such as the opportunity to be informed and engaged and help shape the BID from the beginning. Initial involvement is likely to take the form of an officer in the Regeneration or Economic Development team sitting on the board of the proposed BID, after which different departments become more involved as the BID progresses. More detail about this is given below.

For a more detailed description of each step and downloadable samples please refer to the London BIDs website www.londonbids.info

Items where the local authority plays a strong role in the development of a BID are shown in green boxes.

1 Demonstrable need up to two years before ballot

The need for a BID as opposed to any other form of partnership should be demonstrated through a feasibility study undertaken by the BID proposer. The feasibility study should be both qualitative and quantitative. BIDs are not the solution to all problems, or necessarily a natural exit strategy for organisations where public funding is drawing to a close. There needs to be a real business need, commitment and enthusiasm behind the idea of a BID. Other potential options should also be considered at this stage and could include a partnership that relies on voluntary contributions from enlightened businesses and property owners, like existing town centre management schemes or a partnership with a chamber of commerce or other business group if one exists.

2 Private sector interest up to two years before ballot

BIDs should be driven by the private sector community, ideally right from the early stages of development. The BID proposer should measure the levels of interest, knowledge and commitment by the private sector. As more BIDs come into being, awareness of them is rising, especially among multiple retailers and banks. However, much work still needs to be undertaken in each potential BID area to effectively engage small businesses and the local management teams of multiple retailers.

3 Inclusive partnership between 18 months and two years before ballot

The BID proposer should identify all of the key stakeholders concerned with the need for a BID. These range from local businesses to the Police, to other organisations working towards similar ends. Gaps and weaknesses in the stakeholder groups should be identified and filled. There will be instances where other partnerships would be more suited to develop or deliver the BID and this should be seriously considered.

The local authority will have expertise in working in partnership with other organisations, as well as existing contacts. This expertise would be invaluable to a BID and the BID proposer may benefit from facilitation between existing partnerships to ensure a joined-up approach. The Regeneration team may be useful in brokering meetings between partnerships as this stage.

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Kingston First evolved from a long-standing town centre management initiative, which had started in the Council and later become a partnership company. This meant that a solid relationship had been gained over an eight year period by the time the BID ballot was held.

4 BID viability up to 18 months before ballot

The members involved in developing the BID should have a basic understanding of BIDs from an early stage. Before development work goes any further it is beneficial for the BID proposer to sketch out the potential BID boundary and estimate the indicative income from a BID based on varying levy rates. At this point the BID proposer will need to obtain the current ratings list from the local authority and work with them to determine the potential income from the BID levy and whether the BID is a feasible option given the needs of the area.

The ratings team at the local authority should supply the BID proposer with ratings list information as soon as possible after it is requested. This information will consist of the name, address and rateable value of the hereditament as well as the property reference, and should be regularly updated. There are no data protection issues with the supply of this information as the majority of it will be in the public domain already.

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The ratings department at the London Borough of Camden led the way nationally in pulling the required hereditament information from the ratings list for the 4Holborn BID. The local authorities in London that have formal BIDs within their boundaries have not charged the BID proposer for the supply of this information. However, the Regulations do state that a 'reasonable charge' is allowed by the local authority for doing so.

5 Visioning exercise up to 18 months before ballot

The BID proposer should undertake a visioning exercise with the major stakeholders to identify the issues, main objective, the way forward and the timing of a BID. The visioning exercise should cover issues such as staff resources, funding and supporters for the potential BID.

6 Development resources up to 18 months before ballot

In order to progress beyond this stage it is essential for the BID proposers to secure some funding. This could be public funding from bodies such as the Regional Development Agency or local authority, or private funding, from an enterprising group of businesses or property owners that are behind the idea. The level of budget should be assessed and staff recruited accordingly. The time and cost involved in developing a BID should not be underestimated when allocating budgets. The process can take around eighteen months from this point. Small, quick win projects are desirable as these can demonstrate the benefits of a BID and gain the trust of the businesses whilst stirring up support for the BID. At this point a strong and well respected private-sector chair should be appointed who can drive the developments forward.

7 Incorporation up to 18 months before ballot

It is not essential to incorporate the BID into a legal entity but it will be treated with more respect and gravitas by businesses if it does set up as a not-for-profit limited company.

The local authority could be represented as a Director on the Board of the developing BID Company and this role may continue into the formal BID. It is up to the BID to decide whether the local authority should have a presence on the board, but it is good practice to have a local authority representative. Board meetings may have a frequency of anything from a monthly to a quarterly basis. This position is usually held by a Council Member with a responsibility for Regeneration but it is also very useful to have the involvement of a Regeneration Officer, or equivalent. This will ease the communication between the BID and local authority and allow an open channel directly into each organisation.

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All of the local authorities that have been involved in BIDs in London have had an active role on the BID board from the start, establishing a direct communication channel between the BID proposer and businesses on the board, and the local authority. Having this representation on the BID Board ensures that the BID's proposed activities fit in with the vision that the local authority has for the area and is also a useful way of working together to help identify solutions that might not have been previously considered. It is also a good way for the local authority to be able to show its support for the BID and its accessibility to businesses.



8 Demonstration projects up to 18 months before ballot

If the BID has sufficient funding to undertake demonstration projects, these should be evaluated at this point. Likewise, any previous projects that have been undertaken by the BID proposer should be measured. Communication of results to businesses is vital and can help provide feedback as to whether projects were beneficial, whether the problem is solved or whether further measures are necessary through a BID. Further demonstration projects will depend on the need, the budget and whether the staff team has the capacity to undertake extra work during what will be an increasingly busy time.

The local authority can help to get demonstration projects off the ground by working in partnership with the BID proposer and providing contacts for existing service providers, for example. The Regeneration Officer and councillor may be able to advise the BID proposer and Council departments, such as highways or environment, on the best way to proceed for both parties to ensure all projects undertaken have the maximum positive impact.

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4Holborn piloted a road response cleaning team that patrolled the BID area. The London Borough of Camden felt this to be so valuable to businesses that the council implemented a three-fold increase in their cleaning services. The council took over the running and funding of the entire team leaving the BID some extra funds to investigate other projects. Camden also branded all of their cleaning teams with the Holborn BID brand to raise awareness of the BID.

9 Perception analysis up to one year before ballot

The BID proposer should undertake a formal consultation with businesses to establish their key concerns and issues with the area, as well as their suggestions for improvement and to ascertain the potential level of support for a BID from the constituency at this point. The results from this consultation will feed into the draft BID proposal.

10 Business Database up to one year before ballot

The BID proposer should build and populate a database with the ratings list information provided by the local authority. Local contacts can then be added to the ratings list information and both sets of information kept up to date by staff after making contact with businesses or receiving new information from the local authority. The database should also be able to record rateable values of hereditaments, and communications that each business has had with the BID proposer. The BID proposer should also register the database with the Information Commission for data protection purposes.

The local authority should regularly update the BID proposer with any amendments to the ratings list.

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The London Borough of Southwark updated Better Bankside every two weeks with amendments to the hereditaments on the ratings list. This ensured that the information held by the BID proposer was as up to date as possible at all times. The ratings departments at the other local authorities in London have also performed this service free of charge to date.

11 BID model up to one year before ballot

The boundary of the BID needs to be finalised as far as possible around a year before the BID ballot. In order to do this the BID proposer will take into consideration a number of factors including level of need, potential income and scope for provision of services. This will take place alongside detailed considerations of the number and size of hereditaments in the area, the mix of businesses, the total potential income at different rateable values and the number and size of charitable organisations that may benefit from discounts. The proposed BID levy rules will arise from this exercise.

12 Regulations check seven to ten months before ballot

BIDs in the UK are governed by laws that were passed in November 2004. These laws are called the Business Improvement District Regulations and contain details of the principles that each BID and local authority must abide by, such as the contents of the BID Proposal and managing the ballot. The BID proposer should be aware of all aspects of the BID Regulations before starting to complete legal agreements and the draft BID proposal.

The local authority should also fully understand the Regulations and be ready to support the BID proposer over the next few months. Aspects of the Regulations, such as managing the BID ballot, and the collection and administration of the BID levy contain details that relate directly to the local authority. The full text of the BID Regulations, as well as a summary, is available on the London BIDs website.

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Each of the local authorities ensured that they understood every aspect of the Regulations and came to an agreement with the BID proposers over those areas which are flexible or open to interpretation. Although various summaries and guidance notes are freely available, the full version should also be read to ensure a detailed understanding is gained.

13 Local authority liaison ten to 18 months before ballot

The local authority can give the most assistance from this point. The BID proposer should set up a working group with the relevant departments from the local authority. More detail is given below but initial discussions are followed by the formal supply of an up-to-date list of the rateable values of the hereditaments in the area. The various legal agreements are also discussed and finalised through this group.

The formal roles that the local authority undertakes are:

- Providing data for the baseline agreement and assisting with other aspects of legal agreements, such as the operating agreement and complementary services agreement
- Approval of the BID Proposal
- Managing and carrying out of all aspects of the ballot
- Billing and collection of the levy

The BID proposer should engage all of the relevant departments, such as regeneration, ratings, electoral services, the legal department, and planning and highways, to complete the paperwork for the baseline agreement, operating agreement and complementary services agreement, and agree the process of approving the BID proposal.

The baseline agreement covers the existing services provided by the council and details of the additional services that the BIDs will offer. Services offered depend on the area and what the businesses want but may include:

- Additional cleaning staff
- Footpath cleansing
- Chewing gum removal
- Deep cleansing of pavements or bins
- Upgrading or repainting of street furniture
- Spot cleaning of graffiti and use of anti-graffiti treatment
- Hanging baskets or planting schemes
- Additional rangers or wardens
- Improved lighting

The operating agreement sets out and ensures an effective ongoing relationship between the BID and the local authority in terms of collecting and enforcing payment of the BID levy. The complementary services agreement secures the provision of services from the council that are additional to services already provided by the council within the BID area.

Templates for each of these agreements have been drafted and are freely available on the London BIDs website. They can be easily tailored to each BID although legal advice may be required to ensure that final versions are appropriate. The amount of work involved in completing these agreements varies and depends to some extent on the council itself. The operating agreement is relatively straightforward but details required for the baseline agreement and complementary

services agreement depend very much on the types of services that the BID plans to offer and the level of detail that the council holds about its own existing services. It can be quite labour intensive to separate services provided by the local authority in the BID area from those in the rest of the borough.

Aspects of the ballot such as branding of the ballot envelope and the BID levy statement should be agreed after discussions with the BID proposer. The ballot period should be agreed after ensuring that it does not clash with any other key dates such as local authority elections.

In order to collect the BID levy, a levy collection system will need to be incorporated into the existing business rates collection system. The BID bills will need to be sent out as soon as reasonably possible after a successful ballot in order to start receiving funds for the BID. A BID revenue account needs to be set up by the local authority and regular transfers made from this into the BID's own bank account. These aspects should be agreed upon after discussion between both parties, and then set out in the operating agreement.



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To date, London boroughs have set up a BID working group with each BID up to two years before the BID ballot. The groups set up by Westminster City Council for Heart of London Business Alliance, the New West End Company and Paddington BID met at least monthly and covered four main areas: legal (Operating Agreement and Baseline Agreement), electoral services (for the ballot), key services (such as community protection, highways, planning, events, licensing) and the business rates system. Having the local authority involved from an early stage helped the BID when the BID proposal got to the stage of formal approval by the local authority and for working together post-ballot.

London Borough of Southwark worked together with Better Bankside BID to produce a ballot statement to accompany the ballot paper. Westminster City Council ensured that the ballot statements for Heart of London and Paddington BID were in the colours of the BID brand so that it could be recognised as being part of the BID's 'family' of documents. Westminster City Council also allowed the use of the BID's logo on the outside of the ballot envelope as well as wording which indicated the importance of the contents.

London Borough of Camden led the way nationally on developing BID software and systems to ensure a practical and accurate approach to the billing and collection of the BID levy. London Borough of Camden now shares its BID levy collection data with 4Holborn BID remotely.

14 Draft BID proposal five to seven months before ballot

The BID proposer will write the draft BID proposal based on the consultation with businesses to date. It forms the basis for the final BID proposal, which is what the businesses will vote on in the ballot. All of the businesses in the potential BID area should be consulted on the draft BID proposal to ensure ownership and full awareness.

15 Critical go-ahead point five to seven months before ballot

This is the point where the BID proposer should take stock of everything that has been achieved to date and check that all of the preceding steps have been accomplished successfully. The BID Board should take a decision on whether the BID should progress to ballot stage based on the level of support to date by the businesses. This will be known through the various stages of consultation that have been carried out and through attendance at BID events, for example. Once this has been done the BID proposer must notify the Secretary of State of the intention of holding a BID ballot.

16 Final BID proposal three to six months before ballot

The proposal should be concise, business-friendly, free of jargon and well laid out. The Regulations require that the BID proposal should be available to each business. There is no obligation to distribute copies to each business as long as it is made available for inspection, on a website for example. In practice, however, it makes sense for the businesses to feel as involved as possible throughout the process and for this reason it is recommended that businesses are sent their own copies.

There are a number of formats that the BID proposal could take, depending on the budget and the types of business in the area. It could be a full proposal containing all of the technical information to a shorter executive summary. Technical information can be made available on request or downloadable from a website for example.

The final BID proposal should satisfy all of the requirements laid out in the Regulations. The local authority may also require formal approval by the cabinet before the notice of ballot is sent out.

17 Formal approval three to six months before ballot

The BID requires formal approval from the local authority before a ballot can commence.

The local authority should consider:

- a. details of the consultation undertaken with those liable for the levy
- b. financial arrangements including estimated income and expenditure over duration of BID and contingency margin
- c. whether the BID proposer has demonstrated it has sufficient funds to cover the ballot costs if required.

Formal approval should be given provided that, in principle, the BID does not conflict with any of the local authority priorities and that the BID proposal meets the obligations imposed on it by the Regulations.

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London Borough of Camden's Street Environment, Community Safety and Business Rates departments assisted 4Holborn BID in developing its BID proposal and projects through numerous meetings, detailed comments and suggested redrafting of sections of the document. This helped ensure that the BID proposal did not conflict with any of the council's own priority areas. London Borough of Southwark and Westminster City Council also suggested input into the BID Proposals of Better Bankside, Heart of London and Paddington BID.

Local authorities in London have gone through different procedures in order to approve the BID:

London Borough of Camden

The Cabinet received a general report on BIDs and agreed that the approval of individual BID proposals would be delegated to relevant officers.

London Borough of Southwark

The Cabinet received a detailed report on all aspects of BIDs, together with details of the potential areas going for a ballot. The Better Bankside BID staff made a presentation to an Executive Committee.

Royal Borough of Kingston-upon-Thames

BID documents such as the business plan and baseline agreement were written in partnership with the council officers who had been working with the Town Centre Management. These documents were signed off by the relevant council sub-groups and BID working groups before approval by the Executive Committee. The final sign-off was delegated to the ballot holder and the legal team for the local authority.

Westminster City Council

The Cabinet received a general report on BIDs and the potential areas going for a ballot in the foreseeable future. The Cabinet later received a specific report on each of the BID proposals as they moved towards the formal ballot. The BID proposal was in draft form and was presented with a covering report produced by a council officer.

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In order to maximise the named contacts on the rating list, Westminster City Council sent a letter to their ratings list contacts, which encouraged businesses to identify the person who would take the vote and complete a form which was enclosed with the letter. The BID (Heart of London, New West End Company and Paddington BID) wrote to their preferred contacts to request them to locate this form and fill in their details. If a business returned the form, the list was updated. Once notice of ballot had gone out, Westminster City Council also changed the contact name and address if a business wrote to them with all the necessary details. The London Borough of Camden also carried out extensive telephone and internet research.



The local authority should ensure that the electoral services team has the capacity to carry out the BID ballot particularly if there is a potential clash with local elections. The London Borough of Southwark contracted out the BID ballot to the Electoral Reform Society (ERS) and so avoided the extra work at this time. The businesses are not aware that the ballot is carried out by the ERS rather than the local authority.

Due to the short period of time allocated in the Regulations for the re-issue of replacement ballot papers, a system should be discussed with the BID proposer, which allows businesses to easily request a replacement form. This could be either by businesses being able to request a replacement prior to the four-day slot, or by requesting and filling in the ballot paper in person. Westminster City Council set up an email registration system for lost and replacement ballot papers for Paddington BID's ballot.

The London Borough of Camden's electoral services team kept 4Holborn BID informed of who had returned their ballot papers through the bar codes printed on the ballot envelopes. This ensured the BID did not pester businesses unnecessarily to return their papers. The London Borough of Southwark and Westminster City Council both kept the BID informed of the numbers of ballot papers returned, but not who had returned them. This helped the BID to monitor the turnout of voters.

18 BID campaign three to four months before ballot

The BID proposer should put together a comprehensive campaign and communications strategy for the ballot period including focusing on achievements and successes so far, as well as additional small, quick win projects and projects that can be delivered following a successful ballot result. The BID should not underestimate the staff resource needed at this point.

19 BID ballot period one month before, and during, ballot period

The responsibility of running the BID ballot lies with the local authority. A detailed timeline can be downloaded with a summary of the Regulations, from step 19 in the BID toolkit on the London BIDS website www.londonbids.info

The local authority's assistance will once again be invaluable at this point. Close relationships between the BID proposer and the ballot holder and electoral services teams should be encouraged. The local authority's prime responsibilities at this point are:

- Ensuring the maximum number of ballot papers are sent to the correct voter. The local authority and the BID proposer should work together on this as names on the ratings list are typically entries such as 'NDR Ratepayer' or 'Ratings Department'. This will help to increase the turnout in the ballot.
- Running all aspects of the ballot from producing and posting the papers to the final count
- Replacing lost ballot papers – a system should be decided in advance of the ballot. The Regulations only give a four-day window to replace ballot papers but in practice this is not long enough
- Tracking the number of returned ballot papers. Although the ballot is secret, most local authorities have updated the BID proposer with the number of ballot papers returned. If the BID proposer is also checking with businesses as to whether they have returned their ballot papers this will enable them to track the way the vote is going, as well as ensuring that businesses that have already returned their papers are not disturbed unnecessarily.

20 Post ballot

The local authority remains responsible for the ballot process until the announcement of the result has been made.

The local authority should count the ballot papers and announce the result as soon as possible after ballot day. If the vote is successful the bills should ideally be sent to the businesses within a week as there is likely to be a gap in funding for the BID. The Regulations state that the bills should be sent out as soon as practicable after a successful result. Once BID levy payments begin to be received the local authority should endeavour to make regular transfers into the BID bank account.

The Regulations allow for a 28-day challenge period on specific grounds of 'material irregularity'. The BID proposer, at least 5% of the voters or the billing authority, can write to the Secretary of State to request him to declare a ballot void. Material irregularities could be:

- a contravention of the Regulations where the result of the vote has been significantly affected; or
- where people other than those entitled to vote have voted and the result has been significantly affected; or
- where people entitled to vote have been prevented from voting or hindered from doing so freely and the result has been significantly affected.

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After the successful ballots for Heart of London, New West End Company and Paddington BID, Westminster City Council established jointly with each BID a Service Review Panel and Monitoring Group, as specified in the BID Regulations. The Monitoring Group deals with billing, levy collection and recovery issues. The business rates team and its contractor have been very flexible in taking their lead from the BIDs about length of billing periods, number of reminder bills and the instigation of a Final Notice arrangement. The Service Review Panel composition varies for each BID, depending upon the nature of services being provided. One of the first initiatives Westminster City Council took was to organise a half-day briefing session for BIDs to introduce themselves to key service heads. A Scrutiny meeting was also planned for all three of the new BIDs and Westminster councillors to review progress and achievements at the half year point.



There is no rest for the team running the new BID either. The first board meeting of the new BID needs to confirm the policies and practices that the BID will adhere to, together with confirming new staff contracts and job descriptions to reflect

the new operating arrangements. Quick win projects should also be delivered to ensure that businesses remain 'bought-in' to the concept.

Resource implications for the Local Authority

There are undoubtedly resource implications for the local authority. However the benefits that a successful BID can bring to an area, and the kudos that the local authority will get for assisting the implementation of a BID outweigh the initial outlay of staff and time.

- Additional work for various departments - typically time is given free to the BID proposer and gets more intensive as the BID progresses to the ballot, from initial involvement on the Board to the formal local authority liaison and approval process
- Supplying the ratings list information to the BID - the local authority may charge a 'reasonable amount', according to the Regulations, but may also give this for free as a contribution to the BID
- The local authority and the BID proposer should work together to ensure that the maximum number of ballot papers are sent to the correct voter as names on the ratings list are typically entries such as 'NDR Ratepayer' or 'Ratings Department'. This can be achieved through extensive communications with businesses from both sides and the businesses informing the local authority of the named voter
- Levy collection software costs are usually paid for by the BID and typically amount to a one-off cost of between £3,000 and £5,000
- The BID Regulations state that the local authority covers the cost of the ballot. If the BID is not successful in winning the ballot the local authority may pass the ballot costs on to the BID proposer. Typically, ballot costs have been estimated at £10 per head
- The administration of the BID, covering all aspects of billing, collection and enforcement is covered by the local authority and has been estimated at costing between £20,000 and £30,000 per year. These are approximate figures and depend on the complexity of the BID levy rules. This cost is usually passed onto the BID.
- Some local authorities have employed a dedicated BID Co-ordinator, the costs of which are covered by the local authority
- Enforcement and recovery of bad debts is covered in the collection cost referred to above, but it is up to the BID how far they want to take the recovery process in consultation with the local authority ratings team
- Monitoring of the BID activities are covered by the billing and collection costs via a formal working group

Checklist for local authorities

The local authority should be aware of a number of common issues and seek to decide how these should be tackled at an early stage:

Developing a BID is very labour intensive, both for the BID proposer and the local authority

- ? Has the local authority got the capacity to take on this development work?

Funding regimes commonly end with the end of the financial year, and therefore BID ballots have the potential to take place at approximately the same time. This means the BID ballot may conflict with other activities such as local authority elections

- ? Has the local authority considered the capacity of the electoral services team to undertake the BID ballot?

It may be possible for the ballot to be contracted out to the Electoral Reform Society.

It is important that the BID should not look like it is being initiated and run by the local authority. Even if the BID is part-funded or started by the local authority it should be seen to be private sector led

- ? Is there a strong business board in place, led by a respected private-sector chair?
- ? Are the staff running the BID sufficiently 'corporate minded'?

The maximum number of ballot papers should reach the correct person when the local authority and the BID proposer work together to communicate with the businesses and ask them to contact the local authority in writing with the name of the voter

How much assistance the local authority gives at this point will affect the level of turnout during the ballot.

- ? Has the best method of appropriately co-ordinating the names on the ratings lists with those of the BID proposer's preferred contacts been discussed and agreed?

The local authority should decide on the most appropriate method and process of approval of the BID proposal. There is a long lead-in time required to fix the BID as an item on the agenda and for the BID to draft papers for the local authority

- ? Will the approval process be via Executive Committee/Cabinet, or another committee?
- ? How much information will the local authority require from the BID?
- ? Will the BID proposer be required to do a presentation?
- ? Will the responsibility of signing off the final approval of the proposal lie with a senior officer?

An early discussion should take place on the branding of ballot envelopes and ballot statements

- ? Will the envelope contain the logo of the BID or any form of wording to alert the recipient of the importance of the contents?
- ? Will the ballot statement which accompanies the ballot paper be a joint piece of work between the local authority and BID proposer
- ? Will the ballot statement contain the BID logo or be in the colours of the BID brand?

A suitable and timely method of replacing lost ballot papers will cut down concerns from businesses over the perceived bureaucracy of the four-day rule in the Regulations. The Regulations allow for a named proxy to be appointed by a business up to ten days before the ballot day which may assist at this time to ensure that the ballot paper arrives with the correct person.

- ? Is it possible to set up an email registration for the BID proposer or businesses to contact the local authority to request replacement ballot papers?
- ? Is it possible for the business to complete the ballot paper in person at the council offices?

For more information

More details and useful information can be found on the London BIDs website www.londonbids.info or by visiting the Association of London Government website www.alg.gov.uk
In case of questions please email contact@londonbids.info or info@alg.gov.uk

Glossary of terms

Term	Definition
Additionality	In relation to BIDs, the service or project should be one that the council (or other organisation) does not already provide and/or have a responsibility to provide.
Baseline agreement	In relation to a BID, a description of the current services provided by the council, against which additionality will be measured.
Business Improvement District (BID)	A business-led not-for-profit company focused on improving the environment and economic performance of a defined area of a town or city. BIDs typically fund environmental improvements and a limited number of additional or enhanced local services such as street cleansing, waste removal, lighting and public security.
Cap	The 'cap' allows hereditaments with very high rateable values to pay a maximum defined levy, below that of the relevant percentage of rateable value.
Champion	A private sector businessperson who supports the BID and sells the benefits to their peers.
Complementary services agreement	The complementary services agreement secures the provision of services from the council (or other third party provider) which are additional to services already provided by the Council within the BID area.
Hereditament	A rateable business unit of property.
Levy	The percentage multiplier that is charged on a hereditaments' rateable value.
Levy rules	The Business Improvement District (UK) Regulations call for a number of rules that govern the way the BID levy is calculated and collected.
Operating agreement	The operating agreement sets out and ensures an effective ongoing relationship between the BID and the local authority in terms of collecting and enforcing payment of the BID levy.
Proposal	The document produced by the BID that businesses vote upon.
Rateable Value (RV)	The figure at which the National Valuation Office Agency has valued the property for the purposes of payment of business rates. This figure is based on the open market rental value of the property.
Regulations	The UK Business Improvement District Regulations (2004) are the laws by which all Business Improvement Districts are governed.
Threshold	The level at which all hereditaments with lower rateable values are exempt from the BID levy.



*London BIDs is run by Partnership Solutions
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The Association of London Government (ALG) is a member of the London BIDs Advisory Board
and shares good practice among London boroughs to improve services

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