

**The Retail Planning Knowledge Base  
Briefing Paper 10**

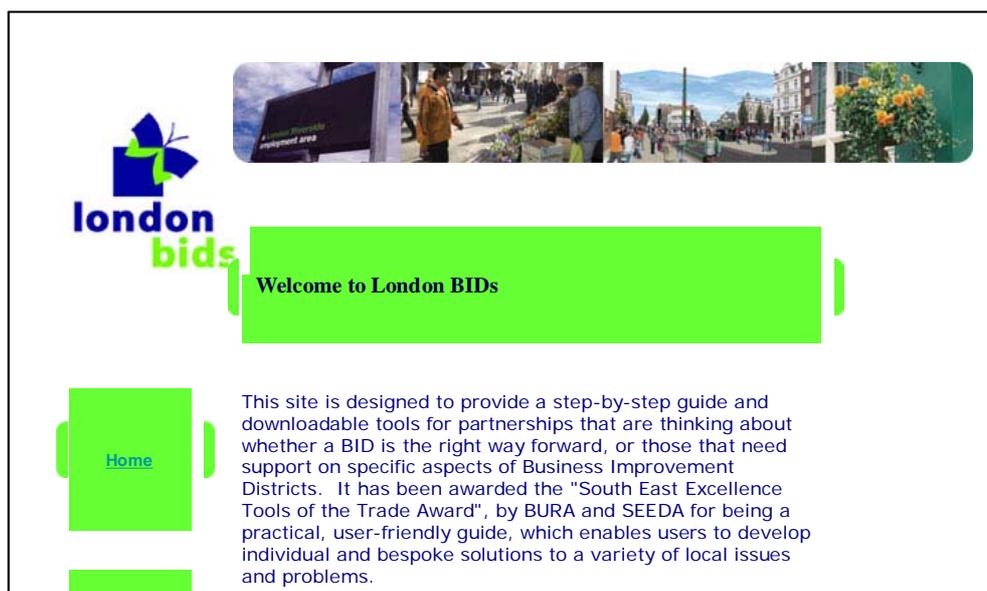
**Business Improvement District (BIDs)**

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May 2008

## BUSINESS IMPROVEMENT DISTRICTS (BIDs)



[www.londonbids.info](http://www.londonbids.info)

**Definition:** A **Business Improvement District** is a partnership between a local authority and the local business community to develop projects and services that will benefit the trading environment within the boundary of a clearly defined commercial area. Over 42 Business Improvement Districts have now been established across England and Wales. Legislation has also been passed in Scotland and the Republic of Ireland. Although most UKBIDs are currently in town centres, the principle works just as well in other places, and there are already BIDs established in industrial estates. ([www.ukbids.org](http://www.ukbids.org) )

### Development of the Concept

The experience of town centre management introduced the concept of co-operative partnership to improve town centres in the UK. The town centre focus of planning policy since the mid 1990s concentrated on providing better town centre environments for retailers and town centre users, but also on improving attractiveness and competitiveness. Retailing in many cases became part of a city or town's image from a marketing perspective. The Association of Town Centre Management (ATCM) was a key organisation in facilitating the transition from town centre management to BIDs. Publications trace that progression. Business improvement districts are a US concept in origin. They extend the ideas behind town centre management increasing stakeholder participation, formalise the arrangement and fix levies which provide the financial base for the improvement of an area. Legislation has been passed in England (2004), Wales (2005) and Scotland (2007) to provide the necessary regulatory framework for the operation of BIDs.

## Legislation for BIDs

England

Statutory Instrument 2004, No. 2443 The Business Improvement Districts (England) Regulations, Norwich: HMSO, 2004, 58p. ([www.ukbids.org](http://www.ukbids.org))

Wales

Welsh Assembly Government The Business Improvement Districts 2005 Regulations. (<http://new.wales.gov.uk/publications/accessinfo/decisionreport/businessandindustry/drsbusiness2005/1993438/?lang=en>)

Scotland

Scottish Statutory Instruments 2007, No. 202 Local Government: The Business Improvement Districts Regulations, 2007. Edinburgh: Scottish Government, 2007, 27p. ([www.bids-scotland.com](http://www.bids-scotland.com))

## Key Findings from the Literature

- The US and UK systems differ - the UK system is based on occupiers and the US on owners.
- BIDs is wider than retail and involves all businesses in the designated area. This means that projects will not be tailored specifically to retailing as in town centre management.
- US measures of performance are easier than in the UK. Distinguishing town centre performance and BIDs performance is very difficult. The data simply do not exist at the right level of disaggregation for the designated areas.
- The areas which could benefit most from BIDs may not have the resource base to set up a BIDs scheme.
- The most powerful groups in BIDs may be able to exercise significant influence on the selection of goals, targets and performance indicators.
- BIDs are not suited to all urban regeneration challenges.
- There is uncertainty over how BIDs will influence the types of retail business their areas. Will SMEs be able to benefit from the local nature of BIDs or will they be edged out?
- New management and partnership structures, of which BIDs is one, are essential to achieving urban regeneration.
- BIDs change the concept of public space. This is the area of greatest concern in the research literature. The effects of privatising town centre spaces will change town centre use and the town centre experience. This may impact on social cohesion and inclusion and the meaning of public space.
- Town centre management initially increased differentiation of town centre offers but as it became more common it tended to produce elements of sameness. BIDs could follow a similar route.

## References

Alexander, A.  
Business Improvement Districts,  
**European Retail Digest**, 37, 2003, 13-15.

A resume of the situation regarding BIDs is given, tackling some of the issues arising from BIDs. The placing of boundaries will be difficult as businesses outwith the zoned area might suffer from not being within the area. Equally there will be free riders who are outside the rate paying group and there is no way to force them to pay. The article also raises the very significant issue that many areas which most need to be business improvement districts are those which are at present so depressed that a BIDs scheme could not generate the required income to make it work.

Association of Town Centre Management and Office of the Deputy Prime Minister  
**Business Improvement Districts: Good practice guide**,  
London: ATCM, 2005. Available for purchase online at: [www.atcm.org](http://www.atcm.org).

A guide to practice based on the experience of BIDs schemes already up and running. It updates previous ATCM publications on BIDs which were more exploratory.

Association of Town Centre Management  
**Sustainable funding for town centre management**,  
London: ATCM, 2002. Available online at: [www.atcm.org](http://www.atcm.org)

The findings from a two year project on funding town centre management schemes are presented in this report. The premise was that there was a need to establish a robust model for partnerships to ensure secure funding. It was concluded that membership schemes would be useful from the perspective of short term initiatives but longer term sustainable projects would require strategic partnerships. Particular emphasis is placed on how to ensure that private companies are interested in funding the projects. Case studies include Great Yarmouth, Bromley, Norwich, Nottingham Lace Market, Reading and Shrewsbury. The report is regarded as the mandate for the BIDs initiatives.

Association of Town Centre Management  
**A firm basis**,  
London: ATCM, 2001. Available on-line at: [www.atcm.org](http://www.atcm.org)

The Association of Town Centre Management has been reformulating concepts of town centre management. It has explored ways in which the concept can become much more formalised through the conversion of town centre partnerships to town centre companies. This publication sets out the legal and financial procedures for the change from a partnership to incorporation. It also outlines the advantages and disadvantages of this process. The change in concept would create a legally binding agreement which would increase commitment and a sense of permanence.

Association of Town Centre Management  
**Entrepreneurial management for our towns and city centres,**  
London: ATCM, 2001. Available on-line at: [www.atcm.org](http://www.atcm.org)

This report is concerned with the types of project which town centre management schemes can undertake which will make a profit for the partnership. Such projects include organising events, provision of services, membership schemes and licensing and leasing schemes. Such projects include street trading for example. Membership scheme incentives are discussed. Towns used as examples include Inverness, Bolton, Kirkcaldy and Great Yarmouth.

Bennison, D., Warnaby, G. and Medway, D.  
The role of quarters in large city centres: a Mancunian case,  
**International Journal of Retail and Distribution Management**, 35(8), 2007, 626-638. (Email; [d.bennison@mmu.ac.uk](mailto:d.bennison@mmu.ac.uk) )

This study draws on interviews with urban managers and residents in Manchester's Northern Quarter. The paper suggests that real quarters are organic and are not best managed from the top down. Material from the interviews suggests that those involved in the Northern Quarter wish to pick and choose between retailers and to maintain the non-multiple specialist nature of retailing in the area. BIDs would be antithetical as a method of maintaining the nature of the quarter. The serial replication of artificial quarters will not assist in the differentiation which leads to competitive places.

Blackwell, M.  
A consideration of the UK Government's proposals for business improvement districts in England,  
**Property Management**, 23(3), 2005, 194-203.

This article uncovers some of the unresolved aspects of issues relating to ownership, occupation, voters' rights and the fulfilment of key aims of proposed UK BIDs. The system follows the US model but the article shows that there are many ways in which the ownership and occupier arrangements in the UK do not match these of the US. Liability for payment in the US being with owners and in the UK with occupiers. The way amounts are calculated for local tax and the back correction methods will make the operation of BIDs difficult. Establishing a valid voting list will be particularly complicated. Currently business rates are a central rather than local matter. It is also unclear how the aims a BIDs scheme might have will match up with those defined in the BIDs legislation as participants and their needs and goals.

Guy, C.  
Whose city centre?  
**Town and Country Planning**, 75(7/8), 2006, p.200-201. (Email [Guy@cardiff.ac.uk](mailto:Guy@cardiff.ac.uk) )

Experience of BIDs in the US suggests that they lead to an increasingly privatised public realm. Key stakeholders in BIDs will not include users of the street such as shoppers and increasingly vitality could be threatened.

Henley Centre

**Managing the retail-led development of the future**

London: British Council of Shopping Centres, 2002, 53p. 189795820X

Recent planning policy has led to an emphasis on town centre vitality with a focus on streets rather than malls. This report suggests that the development of shopping centres and malls facilitated urban management schemes, but which are much harder to achieve in a less structured environment. In view of this the role of town centre management schemes and the new concept of BIDs is critical in achieving the types of urban environment which will promote town centre vitality and viability. A gap inevitably exists between the local authority and non profit sector and the commercial sector in goals and priorities for urban agendas. It is suggested that the changing context of retail-led urban development requires new urban management structures involving property stakeholders as well as retail stakeholders, in much the same way that shopping centres offered urban management.

Hogg, S., Medway, D. and Warnaby, G.

Performance measurement in UK town centre management schemes and US business improvement districts..

**Environment and Planning A**, 39 (6), 2007, 1513-1528.

A comparison of US BIDs schemes and UK TCM schemes shows a different ethos of performance measurement. Concept, design and use measurements are considered. In the UK the town centre scheme equates with the city in performance terms and often indicators measure the town centre manager rather than the town centre management scheme. There is little attempt to distinguish outcomes from the town centre management scheme from other ongoing changes thus making it hard to achieve what is termed performance ownership. This is easier to establish in the US because of the business basis of BIDs and their distinction from the wider urban environment. Their future rests on proving performance ownership. It is considered that because of the fact that UK BIDs are based on occupiers rather than owners they will differ in ethos from those in the US and that performance ownership will need to be differently measured.

Hogg, S., Medway, D. and Warnaby, G.

Business improvement districts; an opportunity for SME retailing,

**International Journal of Retail and Distribution Management**, 31(9), 2003, 4666-469.

The article examines the US experience of business improvement districts. Local networks of small and medium sized businesses operating in homogeneous areas appear to have been most successful. The possible advantages of this in a retail-led BID is discussed. It is suggested that BIDs might work in areas where town centre management schemes do not apply such as neighbourhood centres. Initiatives need to be focussed and structured to meet the aims and requirements of local areas otherwise funding levels will not be appropriate and stakeholder commitment will not be well matched to local concerns.

Jones, P., Hillier, D. and Comfort, D.  
Business improvement districts – another piece in the UK regeneration jigsaw?  
**Town and Country Planning**, 72(5), 2003, 158-161.

The article concisely summarises the concept of Business Improvement Districts. It then goes on to discuss the problems that private sector led investment in town centres involves. The role of public space versus controlled spaces is discussed. The scheme may also give the private sector controls which could lead to certain types of less profitable, less desirable or less prestigious retailers being shunned or pushed out of the centre and to the pursuit of vested interests.

Minton, A.  
**The privatisation of public space,**  
RICS, 2006, 38p. (Available online from [www.rics.org.uk](http://www.rics.org.uk) )

BIDs represents a new interpretation of the public/private realms. Increased privatisation of urban space in the UK will be the result of BIDs. It is argued that this will produce controlled sterile places which lack connection to the reality and diversity of the local environment and which as a result will further erode social cohesion. The creation of ‘hot spots’ and ‘cold spots’ will break up social cohesion and increase a feeling of a lack of trust. It is suggested that places must be more than a balance sheet and that other approaches can deliver what will be more socially cohesive and hence actually more economically productive urban places.

Office of the Deputy Prime Minister  
**An introduction to Business Improvement Districts,**  
London: ODPM, 2003, 9p.

This introductory document outlines the concept of Business Improvement Districts. The broad aims, benefits, funding and organisation of BIDS are given.

Office of the Deputy Prime Minister  
**BIDs guidance: A working draft,**  
London: ODPM, 2003, 50p.

This gives the details of the government’s plans for BIDs. The outline includes details of the policy background underlining the key policy aspects, in particular the compulsory nature of the payment for the use classes or geographical area designated within the scheme. The document outlines the way that a BID scheme might be set up and financed and the types of projects it might be involved in. Examples of voluntary schemes are given including one town centre scheme (Morpeth Pride).

Peel, D.  
Town centre management: multi-stakeholder evaluation. Increasing the sensitivity of paradigm choice,  
**Planning Theory and Practice**, 4(2), 2003, 147-164.

The ideological diversity of stakeholders in town centre management schemes makes it difficult to identify common criteria for evaluation. Social and economic outcomes are both important but evaluation tends to focus on the economic outcomes. The

different value preferences reflect the different meanings placed on the town centre. With new initiatives such as BIDs it is important to recognise the ways in which the most powerful groups will set evaluation systems which preference their own value systems and criteria for success. There is a need to be more explicit about the aims and goals of the evaluation process.

Ward, K.

Policies in motion, urban management and state restructuring. The trans-local expansion of BIDs,

**International Journal of Urban and Regional Studies**, 30, 2006, p.54-75.

The article reviews the way the concept has developed in the UK and the challenges it poses to the way that people think about urban spaces and the interests that they serve. BIDs represent a neoliberalist policy whose main role is to promote the best conditions for capital accumulation. As such they challenge existing meanings of public space but they are in line with other changes in the way that business expects to operate in the UK.

### Web Sites

[www.ukbids.org](http://www.ukbids.org) This is the Home of the National BIDs Advisory Service

[www.bids-scotland.com](http://www.bids-scotland.com) The BIDs web site for Scotland has details of legislation, projects in Scotland and leaflets on topics such as key questions, town centres and multiple retailers.

[www.atcm.org](http://www.atcm.org) Association of Town Centre Management website which features publications tracing the journey from town centre management to BIDs..

[www.londonbids.info](http://www.londonbids.info) The web site for BIDs in London. It includes fact sheets, what BIDs can achieve and 'how to' information.

[www.placemanagement.org](http://www.placemanagement.org) The Institute of Place Management, founded by the Association of Town Centre Management and Manchester Metropolitan University, shows how BIDs is positioned in the context of place making.

### Researchers to contact

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G. Warnaby [Gary.Warnaby@liverpool.ac.uk](mailto:Gary.Warnaby@liverpool.ac.uk)

### Towns with approved BIDs

Some of these schemes have a web site which details the business plan of the BID, area of the BID, minutes and administrative details of the BID and performance measures. Links to these web sites may be found at [www.ukbids.org](http://www.ukbids.org). (Links correct at April 2008)

Lancing BID

Clackmannanshire BID

BID Leamington

Inverness BID

Bathgate BID

Daventry First

Coventry City Centre

Dorchester BID Company

New West End Company

Astmoor Industrial Estate

Halebank Industrial Estate

Derby Cathedral Quarter BID

Longhill and Sandgate BID  
(Hartlepool)  
Dublin City Centre BID  
Nottingham Leisure BID  
Kings Heath BID  
Blackburn EDZ Industrial Estate BID  
BID Taunton  
Winchester BID  
Worthing Town Centre BID  
Truro  
Sleaford BID  
E11 BID  
Argall BID  
Segensworth Estates BID - Fareham  
Segensworth Estates BID - Winchester  
Cannock Chase BID  
Erdington  
Croydon BID  
London Riverside BID  
Heart of London Business Alliance  
Angel Town Centre BID  
Coventry City Wide BID  
Cater Business Park  
InSwindon  
Oldham BID  
Southern Cross BID  
Retail Birmingham BID  
Altham BID  
Hull BID  
Cowpen Industrial Association BID  
Ipswich

Brighton  
Swansea  
West Bromwich Albion BID  
Hammersmith  
Great Yarmouth BID  
Ealing  
Hainault Business Park Business  
Improvement District  
Camden Town Unlimited  
Waterloo Quarter Business Alliance  
Bolton Industrial Estates BID  
Winsford Industrial Estate  
Reading BID  
London Bridge  
Liverpool City Central BID  
Rugby  
Keswick  
Blackpool Town Centre  
Bristol Broadmead  
Birmingham Broad Street  
Lincoln  
Bedford  
New West End Company  
Plymouth BID  
Paddington BID  
Coventry City Centre BID  
Holborn Partnership  
Better Bankside (London)  
Heart of London Business Alliance  
Kingston First (Kingston Upon  
Thames)