

To BID or not to BID that is the question?



There has been much talk about should Ripon develop a BID like other local towns (Northallerton, Otley, Skipton to name but 3) and the general view seems to be

- It sounds good but want to know more about it
- What benefits could it bring
- What will it cost me
- What would the BID area be
- How long are we all going to talk about it before making a decision!

It is the intention that this document helps answer the above questions and does indeed move this closer to making a decision.

Finding out more about it



Introduction

Business Improvement Districts (BIDs) have now been operating across the UK for over a decade. There are now well over 200 BIDs established around the country. These guiding principles have been produced for the industry as a 'voluntary code of conduct' and should be of equal importance to new locations considering a BID, as they are to the very well-established BID companies.

A BID is a business-led and business funded body formed to improve a defined commercial area. It must be a single area and cannot be 2 unconnected areas within the town / city. The benefits of BIDs cited by the businesses they represent are wide-ranging and include:

- Businesses decide and direct what they want for the area
- Businesses are represented and have a voice in issues effecting the area
- BID levy money is ring-fenced for use only in the BID area – unlike business rates which are paid in to, and redistributed, by government
- Increased footfall
- Improved staff retention
- Business cost reduction



- Area promotion
- Facilitated networking opportunities with neighbouring businesses
- Assistance in dealing with the Council, Police and other public bodies

Key BID Facts



- In the UK, the majority of BIDs exist in town centres, however they are also in industrial, commercial and mixed-use locations.
- The BID mechanism allows for a large degree of flexibility and as a result BIDs vary greatly in 'shape' and size.
- The average size of a BID is 300-400 rateable properties, with some of the smallest having fewer than 50 rateable properties and the largest at over 1,000.
- Annual income is typically £200,000-£600,000 but can be as little as £50,000 per annum and over £2 million.
- The first BID in England started in January 2005.
- BIDs were first established in Canada and the US in the 1960s and now exist across the globe, including in South Africa, Germany, Japan, New Zealand and Australia.

Developing a BID



- A BID can only be formed following consultation and a ballot in which businesses vote on a BID Proposal or Business Plan for the area.
- The ballot is run by the local authority or outsourced by the local authority to a third party.
- All businesses eligible to pay the levy are balloted for a minimum of 28 days.
- In the UK, for a BID to go ahead the ballot must be won on two counts: straight majority and majority of rateable value. This ensures that the interests of large and small businesses are protected.
- There is no minimum turnout threshold.



What benefits could it bring



The benefits would come from doing specific projects that would otherwise not get done. You could argue all day long that someone else should have already done these projects and someone else could do them in future, however given the current financial position it is unlikely that councils (local, regional or national) will be improving services in the future and therefore if new projects need to be done then they need to be done by "us".

Potential projects need to be highlighted and the benefits to retailers / business owners need to be made clear as people generally are prepared to invest time and money when they understand the benefits.

It is beneficial to group the projects to provide focus - 3 groupings with a few random ideas being

Attractiveness / Environment (Place)

- Signage
- Alleys / ginnels
- Floral
- Seating

Events

- Specialised markets
- Festivals / shows
- Fairs

Promotions

- Free car parking / vouchers for shops
- Leaflets for visitors of tourist attractions / retail outlets
- U tube videos
- Website entries

In addition there is no reason why businesses within the BID area (or even out of it) could not work together and exercise some buying power over various "commodities" to get a better deal with the savings more than offsetting the levy. Examples being – insurance, waste management, office consumables, etc. Those directly involved in negotiating the deal could get a better saving than the rest ?



What will it cost me

The levy is a % of the business rates and the exact % is defined by those developing the BID. However it seems that 1% is often used and if this is the case then this would mean that a small independent retailer / business could expect an annual charge of less than £100. A "medium" sized retailer / business could expect a charge of "a few hundred" and the large retailers / supermarkets could expect to pay "a few thousand"

Whilst any new cost needs to be reviewed and many small costs do indeed add up to a large cost, in isolation this additional cost is not going to "break" a business.

It will indeed be a wasted cost if none of the projects deliver any benefit however this could be something that makes Ripon an attractive place to shop / visit and by doing so attract people from other places or reverse / slow down the loss of sales to the world of online shopping.

BID's tend to have a BID manager that is employed, perhaps on a part time basis to drive the projects with the committee giving direction / ideas. It is important that this manager is usefully occupied and that a high enough % of the total levy is spent on doing the projects as opposed to paying a salary for someone who does not deliver benefits.

What would the BID area be

This would be defined by the BID committee, however the most common area talked about seems to be the market square, extending down Westgate and including Booths / Marshall Way to then include North Street, down Allhallowgate to include Aldi / new M& S and back up Minster Road, down Bedern Bank, Water Skellgate and High Skellgate.

This needs to be defined so that communication to those in the area, who will be the one's paying the levy can be done.

ARE YOU INTERESTED?

In the first instance, please send your contact details to:

info@riponchamber.co.uk

