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CLÉS bulletin is a topical summary of articles which have appeared in the professional press. Its aim is to provide a pithy précis of a subject area, drawing out the specific and common issues raised in the individual articles.

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Achieving regeneration through business

Can businesses deliver sustainable regeneration? The answer may lie in the introduction of Business Improvement Districts (BIDs), a US-derived concept, whereby local businesses agree to pay an additional tax which is then spent on the public realm. Five pilots have been set up in London with more about to be set up around the country. This Bulletin will look at the discussions within the press on the anticipated impact of Business Improvement Districts and the ability of the business community to deliver positive local change. This topic has also been covered in an issue of the regular CLÉS publication *Local Work*¹.

New Start magazine² looks at the impact of BIDs on public space and asks whether or not the scheme can deliver the improvements to local environments that everyone, not just businesses or their customers, want to see.

New Start discusses whether or not the business community is the best sector to take on the challenge of cleaning up public space and argues that in this country the perception and in many ways the reality, is that the public sector is still best placed to take on the

structural economic and social problems which cause urban decline. It points out that where towns and city centres have experienced serious decay, regeneration funding is made available – although clearly with varying degrees of success.

New Start suggests that BIDs need to engage with partners beyond the commercial world – the community and voluntary sectors, transport providers, government agencies and the general public. It argues that the process of developing such a partnership and a shared set of proposed projects will be an important outcome in itself.

New Start concludes that unlike other regeneration partnership, BIDs could offer a really flexible mechanism through which aspirations can be raised and real change brought about.

New Urban Futures³ reports on the five pilot BIDs set up in 2001 under the Circle Initiative and led by the Central London Partnership, supported by £4.6m of Single Regeneration Budget money from the London Development Agency.

It tells us that the experiences of the BIDs in Bankside, Piccadilly Circus, Holborn, Waterloo and Paddington have been providing examples of best practice for framing the legislation that will be needed to launch the first full-scale BIDs next year.

The article reveals that informal surveys have shown that businesses are generally pleased with how the money is being spent and so far the greatest calls have been for street wardens.

New Urban Futures highlights the importance of the investment from the SRB, without which the BIDs may not have happened. As there are no similar initiatives, funding is needed to set up the schemes in order to show their potential to secure future support.

Public Finance⁴ looks at the accomplishment of BIDs in the USA and discusses how successful the transition will be to the UK. It raises concerns from BID supporters that UK BIDs could be watered down before they are even introduced, unless ministers give BIDs the proper powers to make a difference.

In the US, a BID is proposed and businesses that fall within that zone are given a vote on whether or not they want to pay a tax, a majority is needed for the tax to become binding on everyone. In the UK, however, things are more complicated. The Government wants to impose any levy on the tenants of building, but not on the property owners. BID supporters say that if the

¹ Bourne, Caroline; Witham, Julie *Towards an upturn for a downturn* *Local Work* 36. CLÉS, 2001

² Jupp, Eleanor *Bid and counter bid* *New Start* 21 Feb 2003 pp.14-15

³ Ludmon, Mark *BIDs prove a capital idea for changing the face of urban centres* *New Urban Futures* 6 March 2003 p.7

⁴ Harding, David *Inner city magic* *Public Finance* 28 Mar-2 Apr 2003 pp.24-25

districts are to work, they will need the power to raise a decent amount of cash – and that means including owners. They argue that without this, there will not be enough funds or commitment to renovate the rundown areas that need it most.

Public Finance also points out that many property owners actually want to pay the tax and the British Property Federation which represents many in the private sector, is lobbying ministers and MPs to let owners pay the tax, but the Government will not yield.

Regeneration and Renewal⁵ magazine interviews Larry O Houston Jr, one of the US pioneers of the BID system, and asks him if the system can work in the UK. He believes the expectation is that businesses will make more money with this than they will without it.

Houston suggests that in order for BIDs to work there must be ground rules. First, the BIDs must be compulsory – once a scheme has been approved by referendum, every operator must be obliged to contribute. Second, they must be inclusive of all types of business. And third, they must be approved for many years at a time, so long-term contracts can be issued to service providers.

Houston also discusses the opposition to BIDs, claiming that the largest problem is that people are fearful of something radically different and of unknown dimensions and points out the problems of costs and the importance of keeping it to a minimum.

Municipal Journal⁶ looks at the effect of BIDs on British retailing. It says that from the point of view of business, a BID is a mechanism for improving the economic viability of a commercial street, or district, or whole town centre by increasing the potential customers. In practical terms it achieves this by making an area more visually attractive with better street furniture or paving, cleaner - by tackling litter and graffiti, and safer by means of improved lighting, CCTV and street wardens. Improved public transport and car parking, and visitor attractions are also possible parts of the package.

Municipal Journal tells us that the BID concept will demand a raft of new approaches to the management of the public realm and the public and private sectors need to understand each others needs and requirements.

Whether or not BIDs will enable businesses to achieve sustainable regeneration remains to be seen. The problem does not appear to be in the ability of the business sector to deliver, but in the model of the scheme itself. The benefits in the US are clear, but the

differences in the UK model have even BID supporters worried. The evidence from the five pilots seems to be positive but only time will reveal any lasting results.

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⁵ Walker, Ben *A relaxed BID for business benefit*

Regeneration and Renewal 24 Jan 2003 p.15

⁶ Cooper, Phil *A BID of alright* Street Scene in *Municipal Journal* p.8