

Statement

“Investing in BIDs”

The British Retail Consortium views the development of Business Improvement Districts (BIDs) positively, recognising their potential as a tool to facilitate improvements in the trading environment.

As the lead trade association representing the retail sector the BRC is keen to see BIDs implemented successfully in instances where projects are business driven and deliver desired and affordable additional benefits beyond those previously available to the local retail community.

In considering any investment, retailers will seek justification between the proposed costs and the likely benefits. Investment in a BID must provide an immediate positive impact on the profitability of that location, providing a clear business rationale for the proposed costs.

Proposed levies should also be proportional to other costs, particularly when judging investment across multiple sites. Rents and rates are linked to the profitability of a location and additional costs will be viewed in comparison.

It is the view of the BRC that any levy in excess of 1% of rateable value will be extremely unlikely to deliver comparable benefits and is therefore unjustified.

In many cases other funding streams will be more appropriate. The BID levy is additional to investment already channelled through the rates system. Any proposal for additional investment must make a convincing case why funding should not come in the first instance from the public sector or secondly, property owners.

Where proposals progress, a substantial and significant contribution to all projects must be secured from property owners who will be the long-term beneficiaries of most local improvements.

A proportional contribution from the public sector will also be expected, particularly where significant capital expenditure is intended.

A BID is one potential mechanism for implementing local solutions to local problems, allowing businesses to channel desired and affordable investment above that normally expected of the public sector. The mechanism will not be appropriate in all circumstances.

The BRC is committed to and supportive of the BID principle. This statement has been prepared to try to assist prospective BID schemes, and to reduce the number of unnecessary failures. Should numerous BID proposals in the ‘first-wave’ fail at the ballot, BIDs as a concept will be seriously undermined to the detriment of all concerned.

ENDS