## A BID For Portsmouth? Please take part in our Portsmouth BID Survey – https://survey.alchemer.com/s3/8189624/Portsmouth-BID-Feasibility-Study by **Monday 31st March 2025**

**What is a BID?**

A BID is a business led and funded scheme which operates in a geographical area where businesses or other organisations (who pay non-domestic rates) have something in common with each other or a common need. BIDs give local businesses the power to raise funds locally to be spent locally on improving their trading environment or trading prospects. BIDs are business led for business benefit.

Ratepayers, including those in the public and voluntary sectors are consulted on what improvements they would be prepared to pay for through a small levy, typically 1-2.5% of their rateable value; median rate nationally 1.5%.

Following consultation with businesses, a Business Plan or 'BID Manifesto' is published that outlines what benefits the businesses and other organisations will receive if the BID proceeds. A ballot is then held where each business has the opportunity to vote 'yes' or 'no' to the BID.

Lots of BIDs have levy payers that include social enterprises, educational establishments, public sector bodies and charities as well as private sector businesses who usually form the majority of levy payers.

**Where do BIDs operate?**

There are 341 BIDs operating across the British Isles mostly in town or City Centres but some on industrial estates and in commercial areas. BIDs started when legislation was approved by Parliament in 2003 and regulations came into being in 2004.

**How does it work and who pays?**

BIDs generate funding by applying an annual levy on each non-domestic rate payer and this is usually set somewhere between 1% and 2.5% of rateable value but can vary depending upon what the area needs to fund and the size and number of the businesses within it.

Unlike with the collection of non-domestic rates, income via BID schemes that is collected locally is then spent locally. So, the BID levy that each business contributes via a BID goes towards supporting the area where their business is based. The money will be spent in accordance with the final business plan that reflects what businesses said they wanted during the consultation carried out during the BID development phase.

On top of the levy, it is possible to draw in extra funds or support from other sources such as public sector, grants, sponsorship or in-kind contributions.

**Who runs BIDs?**

The BID is developed by a Steering Group of interested people from representative organisations within the proposed BID Boundary who consult with the other businesses in the area. Feedback from all businesses is then gathered and priorities agreed and outlined in a final business plan with a 5-year financial plan – five years is the maximum time that any BID can operate for before it has to prepare a new plan.

Once BIDs are established via a successful ballot (see below), they are usually managed by businesses through a private sector led, not-for-profit limited company with a Board of non-executive Directors, the majority of whom will usually be levy payers. Out of the BID levy income, a BID Manager is usually appointed who then works with the Board and other stakeholders to deliver the BID business plan and to be a champion for the area.

**The Ballot**

BIDs aren't something that is forced on businesses without an opportunity for them to have their say; a ballot is held where all eligible businesses have the opportunity to vote to determine whether the BID should be established. For a BID to be voted in, there needs to be a majority in favour both by number and size (rateable value).

For the BID to be approved, of those who vote, two tests must be met:

- More than 50% of those who vote must vote 'yes'
- Of those 'yes' votes, they need to represent more than 50% of the total rateable value of all votes cast

If it is a 'yes' result, the BID levy becomes a mandatory payment for all businesses regardless of how they voted and irrespective of whether they voted at all. If a business changes hands in that five-year term, the new organisation liable for rates picks up the bill.

**Are BIDs a way for the Council or Police to save money?**

Businesses might reasonably expect that their non-domestic rates should pay for some of the things that a BID might fund – for instance, extra security, hanging baskets, graffiti removal etc. In many areas, the statutory authorities still fund a lot of these services; however, the public sector doesn't have the funds to do everything that might be needed or important to businesses. Many businesses who want to improve their area or improve their trading prospects welcome the idea of paying collectively for things they need; this can be done effectively via the BID mechanism. Some BIDs put an emphasis on security with wardens and CCTV to prevent stock loss and deal with anti-social behaviour.

All BIDs are encouraged to work closely with the Council and Police. The services these statutory bodies currently provide will be baselined in order to be transparent with businesses about what they get currently without a BID in place. This information is prepared to ensure that BID funds are only used to pay for additional things. This will be monitored closely once the BID is up and running.

Also, if the Council or Police have properties within the BID area, they will be a levy payer in their own right; many are and many are supportive of BID schemes in principle.

Whilst BIDs are not local authority led schemes, local authorities do have a role to play; they are responsible for running the ballot and collecting the levy on the BID Company's behalf if the BID is approved at ballot.

**What are the Benefits?**

So the benefits depend upon what issues the BID intends to tackle or what opportunities can be realized through a BID… and of course, that is all part of the consultation process. But here are some typical benefits:

- Increased footfall – maybe through marketing, PR or events
- Reduced crime/less stock loss – security patrols or CCTV may be introduced
- Additional sales – again due to initiatives that bring people into the area or better awareness of who is trading
- Reduced business costs – via smart procurement
- Raised profile – though PR, marketing activities or an improved environment
- Sustainable funding – via BIDs, a collective pot of money is ring fenced each year for businesses to manage in line with the priorities they have identified
- Improved trading environment – though improvements to the streetscape, additional cleaning measures, new signage etc
- Stronger voice – via a BID, businesses become a powerful lobby when it comes to liaising with authorities and making a case for improvements or challenging things that are issues e.g. parking/public transport/road maintenance. The BID Manager would usually co-ordinate business responses

**What is the impact for businesses?**

There is clear evidence of the success of BID schemes which have led to increased footfall, higher spending, cleaner, safer and more vibrant towns.

There are a lot of success stories, here are a few:

- Truro's Christmas - attracted **35,000** visitors to switch on event
- Shrewsbury BID – over **£150K** saved for levy payers through smart procurement
- Hammersmith – **8,340** extra police hours
- Birmingham Retail BID - **£4.6 million** in PR Value
- Kingston BID - **425,000** square metres of gum removed
- Falmouth BID's website – **2 million** page views

Because of this, a lot of businesses see BIDs as an investment (something they wish to see a return on) rather than a tax.

**Where it works best**

- Within clearly defined areas
- Where there is a problem to be solved **or** an opportunity to be grasped
- Where business will benefit from the solution
- Where businesses are prepared to work together and share the costs

**More information**

For more information on BIDs, go to https://britishbids.info/about/what-is-a-bid or contact mel.richardson@britishbids.info