

Business Improvement District (BID) - FAQs

General Information

Background	Definition	<p>A BID is a business-led and business funded organisation formed to improve a defined commercial area. Canterbury Connected BID is set up as a Community Interest Company (CIC).</p> <p>BIDs give local businesses the power to effect changes that will benefit them in their local community. Improvements may include, cleansing and environmental measures, extra safety/security, marketing, promotion and events, and greater advocacy on key issues.</p>
	Duration	3 – 5 years (98% run for 5 years)
	BID levy	<p>A BID is funded through a BID levy, which is a small percentage of a businesses' rateable value (RV - the rental value of a commercial property unit) collected annually (between 1-3%). All businesses pay within the defined area of the BID. The BID levy is on business occupiers i.e. business ratepayers, rather than property owners. If a property is empty the landlord pays.</p> <p>The Levy Rules for the first Canterbury Connected BID Term (2014-2019) are:</p> <ul style="list-style-type: none"> ▪ The BID levy will apply to all businesses within the defined area with a rateable value of £1,700 and above, provided they are listed on the Non-Domestic Rates list as provided by Canterbury City Council. The cost of collection of the levy payable for properties below £1,700 is financially unviable and this is the reason for their exclusion. ▪ The levy is 1.5% for the term of the BID. ▪ Businesses that are part of the Whitefriars Shopping Centre pay 1% levy in recognition of the substantial Service Charge those businesses already pay. ▪ Non-retail charities receive an 80% relief on their BID levy. If this places their levy below the amount equivalent to a levy for a business with a rateable value of below £1,700, then they are exempt from the levy (and therefore were not entitled to vote in the ballot). ▪ The levy is based on a Chargeable Day basis and due as a single annual payment collected by Canterbury City Council's collection agency, in October. If a hereditament changes tenant during the course of a year no refund will be paid to the departing tenant who will have to seek an accommodation or otherwise with the new tenant. ▪ Vacant premises: The landlord is liable for the levy on a vacant property. No charity relief will apply and the full levy will be due at 1% of RV for a Whitefriars property and 1.5% for all others. ▪ VAT is not charged on the BID levy. <p>See the BID Website for the Levy Rules: https://www.canterburybid.co.uk/bid-rules/</p> <p>Going forward into a second BID term, we will first cost out the projects based on your priorities (the Consultation period runs until 26 October 2018) and then propose a levy rate. The starting point is the cash value required to deliver the projects and activities that you think will make a difference.</p>

	Legislation	Legislation enabling the formation of BIDs was passed in 2003 in England and Wales and came into existence in 2004 with the first BID going to ballot in 2004. There are now over 300 BIDs in the UK. Canterbury was the first in Kent and Maidstone started in October 2018. The full legislation is available on the BID website: https://www.canterburybid.co.uk/documents/
	Ballot	A BID can only be formed following consultation and a ballot in which businesses vote on a Business Plan for the area. The ballot by law is run by the local authority. All businesses eligible to pay the levy are balloted. For a BID to go ahead the ballot must be won on two counts: straight majority and majority of rateable value (the value of a commercial property unit). This ensures that the interests of large and small businesses are protected. There is no minimum turnout threshold.
	1	Consultation is undertaken to determine priorities from the business community.
Process	2	A proposal is drawn up and sets out business priorities for improvements for the area, what the levy will be, what the levy will pay for as well as how the BID will be managed and operated. This document is legally binding once a ballot has been won.
	3	Businesses have the opportunity to agree on the projects for which they are contributing and to vote in a ballot on enabling them to become involved in the administration of the schemes themselves.
	4	Once voted for, the levy becomes mandatory on all defined ratepayers and is treated as a statutory debt.
	6	The BID levy is collected by the local authority into a ring-fenced account (called the BID Revenue Account) and passed to the BID Company for use on the projects and services set out in the BID proposal.
Benefits	Businesses	<ul style="list-style-type: none"> • Gives businesses a local voice • Money to spend on business priorities • Reduces costs through joint initiatives e.g. promotions & marketing • Flexible to address the issues of individual sectors • Creates more appealing environment for employees, visitors and locals • Fair system, those that invest, benefit • Gives competitive regional advantage
Canterbury Connected BID		
	<p>Canterbury Connected BID is a democratically elected organisation, with a voluntary (elected) Board of Directors representative of the city's businesses. Under Government legislation we are now approaching the end of our first five-year term, and therefore to continue we need to run a ballot in June and July 2019 (28 day postal ballot). We want to know what you think we've done well, what we could improve further and what new initiatives you'd like to see introduced.</p> <p>Please have a read and return the consultation questionnaire by 26 October 2018 – and feel free to be in touch any time. We would love to hear from you.</p>	

Duration	If successful a second Canterbury Connected BID term will run for 5 years, starting in October 2019 and ending in September 2024.
BID Levy	Going forward into a second BID term, we will first cost out the projects based on your priorities (the Consultation period runs until 26 October 2018) and then propose a levy rate. The starting point is the cash value required to deliver the projects and activities that you think will make a difference.
BID Area (proposed)	No change: <ul style="list-style-type: none"> • All businesses within the city walls • St Dunstan’s Street up to the railway line • Northgate up St Johns Place and High Street St Gregory’s
Consultation	<ul style="list-style-type: none"> • Conference – 27 September 2018 • Consultation questionnaire open 27 September to 26 October 2018. Hand delivered to every business and available on the BID website: https://www.canterburybid.co.uk/canterbury-connected-consultation-on-bid-2/ • Film about the work of the BID in the first term on the BID website: https://www.canterburybid.co.uk/canterbury-connected-consultation-on-bid-2/ • Briefing sessions with businesses across the city – October-November 2018 • BID AGM with Consultation feedback and draft proposal – 6 or 13 March 2019 • 1:1 Individual meetings with numerous businesses • Learning from: BID 1 Questionnaire (April 2017), ongoing engagement throughout the first BID term, data gathered from BID Ambassadors about the issues faced by businesses, learning from other BIDs, the Association of Town and City Management, The BID Foundation and British BIDs
Key priorities based on Business Feedback so far	Promoting Canterbury <ul style="list-style-type: none"> • Support events that bring footfall and increase dwell time • Invest in seasonal marketing campaigns • Support marketing to attract higher spending visitors • Support marketing to encourage local loyalty amongst staff, residents and students • Enter awards to raise Canterbury’s profile, e.g. the regional and national Bloom campaigns, Purple Flag accreditation, tourism award
	Support business <ul style="list-style-type: none"> • Provide regular city performance statistics (which include footfall, vacancy rates, sales performance and tourism) • Provide day to day support and advice for new and existing businesses (eg, through Ambassadors reporting your issues and the BID team helping you to resolve issues and sign posting you directly to the right place) • Provide free training, e.g. visual display, cyber security, GDPR, social media • Help with regular communication on city management issues such as road works • Provide investment and support for traders’ associations, e.g. The Kings Mile and the Cathedral Quarter • Lobby and represent business interests on transport & access, WiFi and 4G/5G Lobby, attracting investment/filling vacant units, and development of key strategies for the city (eg, visitor strategy, public open space, heritage, transport, inward investment) • Provide regular networking opportunities

		<ul style="list-style-type: none"> • Provide daily support through the BID Ambassadors, e.g. visitor welcome, business visits, reporting and following up of city centre issues • Provide cost reduction initiatives, for example, utilities and trade waste • Encourage partnership working in order to leverage additional income <p>Experience</p> <ul style="list-style-type: none"> • Improve cleanliness in the city (eg, graffiti offensive waste (needles and human waste), deep street cleaning, janitorial (early morning and rapid response) • Security and environmental support (Anti-social behaviour, shoplifting, street drinking, homelessness, begging) • Help support security measures such as District Watch (including a radio scheme connecting businesses with each other and also CCTV, Police, CCC Enforcement, Whitefriars Security and BID Ambassadors) • Invest in making Canterbury a superb Christmas destination (including the Christmas lights, switch on event and county-wide marketing) • Invest in floral displays Improve signage and wayfinding • Invest in city dressing on vacant properties
	<p>Timeline</p>	<p>In brief (see also separate timeline)</p> <ul style="list-style-type: none"> ▪ Consultation Conference: 27 September 2018 ▪ Consultation Period: 27 September to 26 October 2017 (some one to one meeting and meetings with Board members may carry on into November) ▪ Proposed Business Plan to Canterbury City Council: 18 January 2019 ▪ BID AGM/Annual Conference (to present consultation feedback and BID 2 proposal): 6 or 13 March 2019 ▪ Ballot open: 13 June to 11 July 2019
<p>Frequently Asked Questions</p>		
<p>This is a live document so if you have a question that isn't answered here, please ask! Contact the BID Team, Board Member or BID Ambassador – all contact details are on the BID website.</p> <p>See also the Consultation Document and film which talks about the projects of the BID over the past four years. The document includes a summary of the financial investment.</p> <p>Annual BID Accounts are available (in full) on the website.</p>		
<p>Isn't this what I pay my business rates for?</p>	<p>No. Business rates are a national government tax which is collected by Canterbury City Council (CCC), sent to national government who then redistributes it nationally.</p> <p>The funds collected through the BID levy will be kept in a separate BID bank account, a private sector not-for-profit community interest company, totally independent from the local authority. The income from the levy and from extra funds attracted, referred to as additional or voluntary contributions, will only be used to fund the services the businesses have chosen.</p> <p>Baseline level of services over the 5 year BID period will be provided by the statutory agencies that operate services in Canterbury including Kent County Council, Canterbury City Council and Kent Police. Your BID investment will not pay for these services. Indeed, part of the role of Canterbury BID will be to provide clarity on the services and standards you can expect from these authorities.</p>	

<p>What evidence is there to suggest BIDs work?</p>	<p>The evidence suggests that BID schemes make positive differences for businesses' trading no matter whether they are in cities, town centers or industrial areas. There are 300 BIDs operating in Britain investing over £130m across these areas.</p> <p>On the ground, BIDs have led to increased footfall, higher spending and cleaner, safer and more vibrant towns and cities. But the proof of their effectiveness can be shown by the fact that after five years the majority of BIDs begin a new five year term following a renewal ballot indicating continued business support for the initiative.</p>
<p>It's a tough environment for business - is this a good time to ask businesses for additional financial contribution?</p>	<p>It's even more important that we ensure Canterbury is promoted and that people still come and spend their money in the city. The alternative is to 'do nothing'. That means that new businesses or visitors will not come to Canterbury and existing businesses may go elsewhere, seduced by other towns that are making this kind of investment.</p>
<p>What will the public sector contribute?</p>	<p>The public sector will pay the levy, in the same way as other businesses in the BID area.</p>
<p>If businesses vote 'no', will they still have to pay?</p>	<p>Yes, if a majority vote in favour by number and rateable value, the levy will become mandatory. Payment of the levy carries the same enforcement as non-domestic rates.</p>
<p>What happens if the vote is not in favour of continuing with the BID?</p>	<p>The BID will cease operating at the end of September 2019 and we will not be able to raise additional investment on behalf of the business community.</p> <p>The following projects will not happen: Christmas lights, hanging flower baskets, BID Ambassadors (and all the reporting, business liaison and visitor welcome they provide), additional marketing, funding for events and business-led initiatives and lobbying and representing your interests.</p> <p>A NO Vote would have meant that the City centre remains reliant on County and City Council initiatives and funding that we can already see is currently being severely reduced. As a result there is the real risk that many issues important to businesses and traders will be overlooked, under-funded or neglected.</p>
<p>Why does the BID use the 2010 business rates list and not the new list that came into force in 2017?</p>	<p>About which ratings list is used, according to the Canterbury BID proposal which the business voted on in 2014, the rules state that:</p> <ul style="list-style-type: none"> • The BID levy rate will be fixed for the full term of the BID (five years) and will not be subject to inflation or alterations. • The BID will adhere to the Rateable Value on the Rating List, and the levy placed upon it at 9th May 2014, and each year subsequently, for the life of the BID. • The BID will not take any account of changes to the rating regime, proposed for 2017, and will collect the levy set at the date of the Ballot, in each year of the BID. <p>This is to ensure that the BID levy would be a known quantity for both the business and indeed the BID so that it can deliver the services that business voted for. In any case, if we had been able to use the 2017 rates list, overall, independents would've paid more: 41.5% had an increase in RV, 47.5% no change in RV and 11% had a decrease.</p>

How do/will I know if my money is being well spent?	The BID will spend the income in accordance with the Business Plan and we will send you regular information on what projects are being developed and delivered. This information will also be available on the BID website. An annual update will be sent with the levy bills every year and full accounts are published on the BID website.
How do you ensure the BID investment adds value?	The BID will enter into baseline agreements with the local authorities and other service providers. These agreements will guarantee the level of service provision in the area and show you what the councils will continue to provide. In this way you can see who does what and be confident that the BID investment is providing added value.
Additional Questions	
These are additional questions we have received and relate to BID activities during the first BID term. For BID 2 these details could be different as we are in consultation and we need to listen to the views of businesses before creating a new business plan. An example of the changes could include the number of Cathedral votes, which will depend on how many empty properties there are at the time of ballot (as the landlord is liable for the BID levy if a property is empty).	
How many votes were there in BID 1	<p>706 hereditaments had a vote in the BID ballot, this included:</p> <ul style="list-style-type: none"> ▪ The Cathedral had 5 votes ▪ Canterbury City Council had 22 votes ▪ Kent County Council had 2 votes ▪ Canterbury Christ Church University had 1 vote
Christmas Lights – how much do they cost?	On average per year, Christmas lights cost between £57k - £66k. The fluctuation depends on whether investment on infrastructure is required and additional lighting needed for certain areas - last year we covered 21 streets with 5 miles of lights. Coverage has increased every year. For more detail about the cost and effort required to install Christmas lights, see: https://www.canterburybid.co.uk/christmas-lights-know/
How much do the Ambassadors cost?	Ambassadors cost £92,000 per year. There is a small cost of living increase, but no additional charge for recruitment and training new members of the team. The costs cover paying 3 team members (2 on duty 363 days of the year), recruitment, uniform, training, phones and a web based reporting system that links directly to Secro, Police, Council etc. Over the past four years, the BID Ambassadors have resolved 77% of the issues they reported and provide crucial information on the environmental and security needs of businesses and the city. The ambassadors spend their time visiting businesses, reporting issues, attending city centre graffiti meetings, rough sleeper forums, liaising with enforcement, street teams and promoting independent shops on their social media channels. They are also our visual greeting team, welcoming people into the city centre.
Who runs the BID	<p>The BID is governed by an elected and voluntary Board of Directors, half of whom represent independent businesses. The work is carried out by a paid staff. The full list can be found here:</p> <p>www.canterburybid.co.uk/the-board www.canterburybid.co.uk/team</p> <p>As with any professional/business service organization, the main expenditure is on the people who make the projects happen. Without the staff, the projects wouldn't be possible. Christmas lights and cleaning are also significant.</p>

To find out more about Business Improvement Districts please go to:

- Canterbury Connected BID: <http://www.canterburybid.co.uk/>
- The BID Foundation: www.placemanagement.org/special-interest-groups/the-bid-foundation/
- The Association of Town and City Management: www.atcm.org
- British BIDs: britishbids.info

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