Business Improvement Districts in the UK:

Territorialising a ‘global’ model?

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By getting out of the way and letting councils and communities run their own affairs we can restore civic pride, democratic accountability and economic growth – and build a stronger, fairer Britain. It’s the end of the era of big government: laying the foundations for the Big Society (Pickles, quoted in Inside Government, 2010: np)

... are, to varying degrees, punctuated by and orchestrated through a myriad of trans-territorial networks and relational webs of connectivity (MacLeod and Jones 2007: 1186)

Introduction

There are few individuals who have had an economic development policy named after them. Mary Portas became one such person when twelve successful Portas Pilot towns were announced by the UK Coalition Government in May 2012. Public-private partnerships in Bedford, Croydon, Dartford, Bedminster (Greater Bristol), Liskeard, Margate, Market Rasen, Nelson, Newbiggin-by-the-Sea, Stockport, Stockton-on-Tees and Wolverhampton would receive a small government grant, as well as advice and training from government and ‘industry leaders’ such as Portas herself. This, it was hoped, would stimulate “innovative ideas about how to transform their local high street into a social place, bustling with people, services and jobs” (Inside Government 2012: np). Portas, of course, has become a well-known individual in the UK, from her career in retailing, most noticeably at Harvey Nichols, her appearances on television in Mary Queen of Shops and subsequent follow-ons, and
the independent review into the future of high streets in the UK that she was commissioned to write by the UK Coalition Government.

The Portas Review was published at the end of 2011. This set out twenty-eight ‘practical’ recommendations, all geared towards increasing consumer spending and lowering vacancy rates on the high street. They will get “town centres running like businesses”, Portas (2011: 17) claims, helping them fight long-standing competition from out-of-town and on-line retailers as well as the post-2008 recession. While much of what was recommended was about altering existing methods of financing the management of high streets, the report does note a number of existing successes. One is particularly interesting in the context of this edited collection on the issue of territorial governance. As Portas (2011: 21) notes:

There is one model, already in place, which has begun to make important inroads: Business Improvement Districts (BIDs), where local businesses contribute to realising a jointly produced plan, funded by an uplift in business rates.

Portas remarks on the successes (and failures) of Business Improvement Districts (BIDs) – public-private partnerships who frequently focus on cleaning, security and marketing, funded by a mandatory levy on (selected) businesses in the area – since they were first established in England in 2004. The Review then goes onto argue for an increase in their powers. As she puts it:

New Super-BIDs would develop a dynamic strategic vision for their towns. Super-BIDs should be about more than just ‘grime and crime’ and should work in much
more of a strategic partnership to shape the thriving high streets of the future I want to see (Portas 2011: 22)

The Portas Review argued that these new ‘super-BIDs’ would be the kinds of initiatives the Coalition Government should want to see emerge under the Localism Act. She has not been alone in linking BIDs to the Coalition’s localism agenda. Her words echo a number of other commentators such as regeneration practitioner Chris Brown (2011: np) who recently blogged that “BIDs are perfectly positioned for localism being designed at a neighbourhood scale.” Portas (2011: 22), however, goes further than most by suggesting that the Government:

should look at how duly-constituted BIDs could be enabled to exercise the new community rights to buy assets and run services provided by the Localism Act. Provided that they can demonstrate local support and accountability, the new Super-BIDs should have the same rights as local authorities to use Compulsory Purchase Orders and enter and upgrade strategic properties, bringing empty property back into use. Super-BIDs should also be able to lead business-led neighbourhood planning exercises to develop a vision for their high streets.

The Coalition Government published its response, High Streets at the Heart of our Communities the following March (Department for Communities and Local Government 2012). Despite claiming that “[w]e fully support these recommendations” (Department for Communities and Local Government 2012: 9), it took only some on board. One was the establishment of the Portas Pilot Towns, of course. With regards to BIDs, the response shied away from the creation of
Porter-esque ‘super-BIDs’. It instead committed to setting aside just £500,000 from which prospective BIDs could request a loan to aid the costs of establishment. Not quite the ringing endorsement of which Portas and others in the UK BID community had been hoping. Nevertheless it was a clear signal from the Coalition Government that they saw the economic and political value in BIDs.

This example, therefore, speaks to how a particular pre-existing ‘model’, in the words of Portas (2011), of territorial governance has been reinterpreted and repackaged by certain policy-makers and practitioners as embodying the beliefs, ideologies and logics of New Localism. The centerpiece of New Localism – if you will excuse the oxymoron – is the Localism Act 2011 (HM Government 2011). This, for Communities Minister Andrew Stunell, is about paving “the way for the long overdue push of powers out of Whitehall to councils and neighbourhoods across the country, and giv[ing] local communities real control over housing and planning decisions” (quoted in Inside Government 2010: np). Despite the Business Improvement District (BID) model first being introduced into the UK by New Labour in 2004, it appears that BIDs are now being lauded by the UK Coalition Government as proto-New Localism. That is, an example of the type of ‘local’ initiative they want to encourage emerging in the context of the systemic dismantling and restructuring of all levels of government (Clarke and Cochrane 2013; Deas, 2013). BIDs are then in the process of being cast as a model for territorial governance, and not for the first time in their histories of course, as it has been moved across national borders, from one location to another (Cook 2008; Hoyt 2006; Ward 2006).

In light of these recent developments with regards to Business Improvement Districts (BIDs), this chapter will critically examine the development, rolling-out and
evolution of BIDs in the UK. In so doing, this chapter is organised into five sections. The second section sets out how to understand the relational and territorial geographies behind the introduction of BIDs in the UK as a form of territorial governance. It draws on the urban policy mobilities research that has emerged in recent years that seeks to bring together traditional urban political studies where the emphasis is on ‘territory’ with more recent work on relational understandings of ‘the urban’. The third section introduces BIDs and sets out the model’s global geographies and histories. This reveals its Canadian origins, the work done to construct it as a US model, and the range of actors whose labour was involved in creating the conditions where BIDs could be introduced into the UK. The fourth section turns to the experiences of BIDs, first in England and Wales and then more recently in Scotland. This reveals the model’s introduction into a growing number of towns and cities over the last decade. It ends by exploring the roles being played by BIDs in the context of the financial crisis and the UK Coalition Government’s programmes of austerity and New Localism. In conclusion the chapter makes two points in relation to the objectives of this edited collection. First, that theorizing territorial governance in the context of an increasingly inter-dependent context requires an approach that is sensitive to both networks and territories. If it were ever enough to account for change in the nature of urban politics on the basis of analysis generated solely from within cities and the countries of which they are part, then that time has surely passed (Ward 2011). Second, the Business Improvement District ‘model’ that was established in England and Wales and then Scotland during the early-to-mid 2000s reflected the contexts both through which it had travelled and into which it was being introduced. Territorial models that are moved from one geographical location to another are adapted, modified, transformed and translated.
as part of that movement, with the result that they are made to ‘fit’ with the wider institutional and political environment with which they will be asked to work (and, in turn, potentially transforming that very same institutional and political environment through their presence).

**Moving Models**

What is commonly defined as ‘urban politics’ is typically quite heterogeneous and by no means referable to struggles with, or among, the agents structured by some set of social relations corresponding unambiguously to the urban (Cox 2001:756).

Underpinning many of the accounts of the ‘old urban politics’ of collective consumption and social reproduction and those on the ‘new urban politics’ of economic development is a territorial understanding of the urban, where it is a bounded entity, a city or a town, often the geographical remit of local government. Work in recent years, however, has sought to re-think what, and where, we mean by the urban. Indeed, scholars such as Neil Brenner (2004) and Andy Jonas (2006) have shown that the urban is connected to, and even made up of, a multiplicity of spatial scales. Other scholars have sought to bring territorial understandings of the urban into dialogue with recent understandings of place as being open, porous and inter-connected (Amin 2004, 2007; Massey 2005). More concretely, this work has begun to explore the complex ways in which boundaries and fixities interact with inter-urban networks and mobilities to make and re-make the urban and urban policy (see, for example, Allen and Cochrane 2007; Jacobs 2012). Such
understandings of cities as sites “of intersection between network topologies and territorial legacies” (Amin 2007: 103) show the elements of elsewhere that goes into the assembling of ‘urban politics’. Elements of other city’s experiences, models, and success stories for example.

This bringing together of urban territoriality and relationality can be found in the recent work on urban policy mobilities which examines the ways in which ‘best practice’ models are constructed and mobilised between different cities (see, for instance, Ward 2006; Peck and Theodore 2010; McCann and Ward 2010, 2011, 2013; McCann 2011; Temenos and McCann 2013). These studies, as Temenos and McCann (2013: 345) note, focus on the “tension between policy as fixed, territorial, or place-specific, on the one hand, and dynamic, global and relational on the other” (see also McCann and Ward 2010). As part of this, the work has three particularly useful insights. First, it illustrates the diverse set of actors and ‘informational infrastructures’ involved in the circulation of ideas, expertise and models. Informational infrastructures are, in the words of McCann (2008: 12), made up of “institutions, organizations and technologies that, in various ways, frame and package knowledge about best policy practices, successful cities, and cutting-edge ideas and then present that information to specific audiences”. Perhaps the best known of these technologies are best practice guides (Moore 2013), conferences (Cook and Ward 2012), and study tours (Cook and Ward 2011; González 2011; Cook et al. 2014). These are important, not least because they actively connect some people and some places. They anoint and represent some models as ‘best practice’ and help lubricate their movement, while downplaying or ignoring others.

Second, the literature shows that ‘comparison, learning and sharing’ relationships often have a degree of path-dependency. The example of the frequent
borrowing of policy ideas by UK policymakers from the United States is a case in point. So in recent decades, we have seen UK policymakers drawing on a number of ideas from the United States – such as the Urban Development Action Grant, welfare-to-work, ‘broken windows’ policing, John Schools, Business Improvement Districts and Tax Increment Financing (cf. Wolman 1992; Dolowitz et al. 1999; Peck and Theodore 2001; Jones and Newburn 2007; Peck and Theodore 2001; Squires and Lord 2012; Ward 2012). This trans-Atlantic traffic is not surprising; as Dolowitz et al. (1999) note, policies often circulate between places with political infrastructures or ideologies that are perceived to be similar. Nevertheless, and as the literature makes clear, such relationships are rarely static. What is more, the movement of models often involves a complex assemblage of ideas, places and relationships (Cook and Ward 2011; McCann and Ward 2013).

Following on from the above, the third point made in this literature is that the movement of policy is never a literal copying and pasting from place A to place B. As Peck and Theodore (2010: 170) note, “mobile policies rarely travel as complete “packages”, they move in bits and pieces – as selective discourses, inchoate ideas, and synthesized models – and they therefore “arrive” not as replicas but as policies already-in-transformation”. The assembling of ideas and their re-territorialisation is once again a messy, selective and contingent process (Baker 2013). This much we know. Yet for all the research conducted thus far, we know little about the longer-term experiences of (once) mobile policies. What happens to policies several years after they have ‘arrived’? How are they embedded (and re-embedded) over time and with what consequences for the wider policy-making machinery? This chapter explores this through an analysis of the emergence and
evolution of Business Improvement Districts (BIDs) into England and Wales, and subsequently, Scotland.

**Introducing BIDs into the UK**

[Business Improvement Districts] … have been doing localism for a long time

(Pitkeathley, quoted on *Future of London* 2012: np)

To celebrate the 10 year ‘anniversary’ of Business Improvement District (BID) legislation in the UK, the London-based Association of Town Centre Management (ATCM) led a study tour of BIDs in the east coast of the United States for its members in October 2013. Over four days they visited New York, Pittsburgh and Philadelphia where they met BID CEOs as well as consultants and contractors that work with US BIDs. They also toured BID areas and saw BIDs ‘at work’. On the final evening, the visitors convened as a group to pinpoint the key lessons learned and how they can translate these into actionable agendas for their work in the UK. This of course was not a holiday but, as the accompanying brochure calls it, a “unique investment opportunity” (see Figure 1). At a cost of £1,500 per delegate (excluding VAT and the cost of international travel and food), the study tour begun in New York on the same afternoon as the International Downtown Association’s ‘59th Annual Conference and World Congress’, also in New York, came to an end. Members of the ATCM study tour, suffice to say, were encouraged to attend the four-day conference beforehand at an additional cost. This week on the east coast speaks to a number of reoccurring themes that underpin the history of BIDs in the
UK including the North American influences, the prominence of the ATCM, and the role of policy tourism in shaping the BID agenda. Before we examine the emergence of BIDs in the UK, we shall examine the constituent parts of a BID are and where it first emerged.

Figure 1: The front cover of a brochure advertising the ATCM’s 2013 study tour

Source: www.atcm.org
The Business Improvement District model has five core elements to it. First, BIDs govern particular spaces. Although the size of the districts varies, their geographical boundaries are always clearly defined, even if their shadow falls over a more nebulous surrounding area. Second, they are funded primarily by a tax on businesses within their district (although many have additional funding streams). Third, the money raised through the tax – or levy as many practitioners and policy-makers call it – is not redistributed throughout the city, region or nation but is ‘ring-fenced’ to be spent on issues within the district. Fourth, the spending decisions are made by representatives of the district’s business community, frequently alongside a small number of public officials, on BID boards. For MacDonald (2000: 401) this means that “BIDs involve businesses as never before in the day-to-day operation of cities” (cf. Cook 2009; Rasasinghe 2013), and are more ‘flexible’ than their local government equivalents (Mallett 1994; Levy 2001). Fifth and finally, BIDs usually focus on managing public spaces rather than overseeing property-led redevelopment projects (Mallett 1994).

While Business Improvement Districts (BIDs) are not necessarily defined by the services they provide, these are the most outwardly visible element to what they do, particularly to the general public. Although they undertake a wide variety of activities there are common services that BIDs tend to focus on (Ward 2007; Mitchell 2008). These are:

(i) Public space cleaning and maintenance, in terms of providing basic services and monitoring the appearance of the streetscape;
(ii) Securing public spaces and businesses, often through form of hiring security guards to coordinate with local police and installing surveillance technologies; and

(iii) Marketing the BID area and organising events to compete with other areas inside and outside of the city (for an example see Figure 2).

For people on the street, BIDs are frequently personified by the presence of ‘clean teams’, horticulturists and security-guards-come-goodwill-ambassadors (Ward 2006; Cook 2010). However, it is important to note that not every BID focuses on all three service areas, not all employ street personnel, and fewer still place equal emphasis on the three service domains. Nonetheless, these partnerships are heavily involved in the day-to-day management of the public spaces of business districts.

BIDs are “not sexy or monumental” as one journalist in Philadelphia’s The Plain Dealer put it (Montgomery 2005: C1). Instead they focus on mundane, repetitive local government-like services (Ward 2007). However, these services are heralded by their proponents as important ingredients in improving the ‘quality-of-life’ and the ‘experience economy’ and, hence, the profitability within business districts (MacDonald 2000; Mitchell 2008; Briffault 2010-11).
Figure 2: A free public screening of *Life of Pi* as part of the ‘Monument Movies’ series in Newcastle City Centre co-organised by NE1 BID and Tyneside Cinema.

It is possible to trace the introduction of Business Improvement Districts in England, Wales and Scotland to various pieces of governmental legislation and regulations, the most noticeable of these being the Local Government Act 2003 (covering England and Wales) and the Planning etc. (Scotland) Act 2006. It is also correct to say that no BIDs have emerged in Northern Ireland yet because no legislation has been passed to enable their development. However, the story of the introduction of BIDs in the UK is much more complicated than the passing of legislation and regulations (or lack of in the case of Northern Ireland); their ‘presence’ in the UK stretches back much further and is weaved into the much more complex internationalisation of BIDs.
Business Improvement Districts (BIDs), you may (or may not) be surprised to hear, did not emerge in the United States but in Canada. To be precise, the first BID emerged in a suburban commercial district in Toronto when the Bloor-Jane-Runnymede Improvement Area, now known as Bloor West Village, was established in 1970. Facing competition from nearby malls, local businesses and public bodies in the district drew together plans for a business district financed by a mandatory levy on property owners in the district (Hoyt 2006). BIDs subsequently spread across parts of Canada and into the United States, first emerging Stateside in New Orleans in 1975. Although a recent and accurate count of BID in North America does not exist, it is generally believed that several hundred have emerged subsequently in the United States and Canada. By June 2013, New York City alone had 67 BIDs while Toronto had 74. BIDs have also emerged in a number of countries elsewhere, namely Jamaica, Serbia, Albania and South Africa, before arriving in the UK, and subsequently emerging in Germany, Ireland and the Netherlands. It is a policy on the move (Hoyt 2006; Ward 2006, 2011; Cook, 2008; Cook and Ward, 2012; Peyroux et al. 2012).

BIDs in the UK developed out of the Town Centre Management (TCM) movement that grew substantially in the 1990s (Cook 2008). Promoted by the ATCM and the Conservative Government of the time, TCM involved public-private partnerships forming and governing city and town centres. They were often involved in cleaning and marketing services (similar to BIDs) and were financed by local government and voluntary contributions from businesses within the area. TCM’s introduction was accompanied by rhetoric asserting the private sector’s ability to bring efficiency, innovation and market-sensitivity to governance structures and ultimately business profitability to their localities (Cook, 2008, 2009).
Nevertheless, a number of its supporters grew frustrated with one of the fundamental features of TCM. That is, the voluntary nature of business contributions which was seen to encourage inadequately small and unpredictable incomes for TCM schemes (despite often being accompanied by grants from local councils). ‘Free-riding’ by businesses – that is, enjoying the benefits of services paid for other businesses without contributing themselves – was viewed as a widespread problem (Medway et al. 1999, 2000). Both the small income generated by TCM schemes together with the considerable time and effort that staff needed to dedicate to encouraging donations – so called ‘begging bowl’ activities – were seen to impact negatively on the quality and quantity of services provided.

Simultaneously news of the growing numbers of North American Business Improvement Districts (BIDs) and their supposed successes increasingly reached senior officials at the ATCM. Indeed, the 1996 World Congress in Coventry, co-organised by the International Downtown Association and the ATCM, was a pivotal moment in ‘showcasing’ BIDs to ATCM and Whitehall officials. At the event, US BID officials were invited to speak of their ‘successes’ in transforming dirty, unsafe, emptying and unprofitable downtowns into thriving and profitable places that consumers and businesses wanted to be (Cook 2008). These achievements were, in no uncertain terms, attributed to the presence and power of their BID financed through a mandatory levy on property owners. Over the years that followed, trans-Atlantic dialogue continued, whether through personal communication, visits, or conferences (see, for example, Travers and Weimar 1996). As part of this, the apparent success and transferability of BIDs became increasing vivid to the ATCM and the New Labour Government who came into power in 1997. Yet, it was certainly not the Canadian experience that captured the attention or imagination.
Nor was it the trans-US experience. Rather, it was the experience of a small number of downtown BIDs in the east coast cities of New York City (primarily), Philadelphia and Washington DC that became sites of ‘best practice’ and study tours (and, of course, it is the east coast that officials are visiting later in 2013). A number of BID officials from these cities were repeatedly brought to the UK at the end of the 1990s and at the beginning of the 2000s to advise government officials in England and Wales (Ward 2006, 2011; Cook 2008).

With its devolved powers, the Scottish Parliament was able to decide on whether or not to introduce Business Improvement Districts (BIDs) to Scotland. As well as consulting with business and government officials in Scotland (see Peel and Lloyd 2005), they looked elsewhere to see what lessons could be learnt. News of the various stages of the development of BIDs in England and Wales reached senior officials at the Scottish Parliament and Executive as well as at the Scottish section of the ATCM. Furthermore, senior figures in both organisations visited BIDs and events in England and the United States, and liaised with officials at Whitehall and at the ATCM. There was a sense that BIDs were successful elsewhere and they were transferable to Scotland. Speaking at the opening of a public consultation on BIDs, Andy Kerr, the then-Minister for Finance and Public Services, envisaged Business Improvement Districts as:

a potentially powerful tool and ... relevant to all businesses and all types of areas. They can benefit city centres, town centres, industrial estates, business parks and anywhere where local authorities and businesses see an opportunity to stimulate economic growth. Businesses Improvement Districts have already been successful elsewhere. You only have to look at Times Square in New York to see the massive
improvements they can make to the look and feel of an area… The power will be with the business community to make a real difference in their local area (quoted in \textit{Local Government Chronicle} 2003: np).

Kerr’s comments echoed those of BID advocates south of the border, such as the then-Minister of State for Local Government, Nick Raynsford, who proclaimed that:

\begin{quote}
BIDs give businesses and councils an exciting opportunity to work together to improve their own areas... BIDs will breathe new life into our towns and cities, making them better places to live, work and play... contributing to a healthy economy (quoted in Hanlon 2003: 16).
\end{quote}

In developing the national legislation and regulations and the subsequent push to develop BIDs within particular locations they were represented as locally-sensitive, flexible, business-led and, most importantly, profitable investments for local businesses. These sentiments, of course, resonate with the ways in which urban development practitioners and advocates in the United States represent BIDs (see, for example, Levy, 2001; MacDonald 2000; Mitchell 2008). Closer to home, of course, the DNA of BIDs fitted in with the neo-liberal approach to urban policy by the Blair-Brown New Labour Government (1997-2010) as well as the Labour-Liberal Democrat coalition in the Scottish Parliament (1999-2007). The model echoed the emphasis on improving the ‘business climate’ and the competitiveness of towns and cities, attracting inward investment, and partnership-working between the public and private sectors (Imrie and Raco 2003; Ward 2006, Boyle \textit{et al.} 2008), reflecting the wider approach to issues of territorial governance and economic development.
Of course, the Business Improvement District (BID) model did not stay the same as it was prepared for introduction into the UK. The most important change was in who was responsible for paying the mandatory levy. While property owners are the ones who pay the BID levy in the United States, in England and Wales the New Labour Government decided that it was simpler to make business occupiers pay the levy instead. This was because in the UK business occupiers already paid business rates, and property owners did not. Therefore, it would reduce administrative ‘burdens’ if the BID levy was collected by local councils as a surcharge of business rates (Cook 2008). The BID levy would then be ring-fenced and transferred to the BIDs. As you can imagine, this raised questions about equity, as there were concerns that property owners may benefit from increases in rental and property prices as a result of BID operations without making any financial contributions to the BID. Here ‘free-riding’ is once again a problem but in a different form. In Scotland, the Scottish Parliament also followed this logic by making the occupiers contribute but provisions were made in the legislation that to allow individual BIDs also place a mandatory levy on property owners alongside business occupiers should they wish. These provisions, however, have only been drawn on by two ‘live’ BIDs – the Inverness BID and the Clackfirst BID in Clackmannanshire – where property owners are levied alongside occupiers.

In order to operate, Business Improvement Districts in England, Wales and Scotland must pass a ‘dual key test’ in a ballot where each business that is due to pay the levy in the proposed district gets a vote. First, the BID must receive a ‘yes’ vote from a majority of voters. Second, all the business that voted yes must all comprise a higher ratable value (i.e. estimated property rental value) than all those who voted against it (Cook 2009). So in England and Wales it is business occupiers in the
district who can vote. In Scotland, if property owners are included in those who pay the levy, they must also be given a vote. A further difference in the voting procedures is that in Scotland, unlike south of the border, BID ballots require a 25% turnout in number and rateable value, a requirement that was put in place to safeguard the ‘democratic mandate’ of BIDs. In England, Wales and Scotland, BIDs are time-limited to a maximum of five years (with the overwhelming majority operating for five years). If they seek to continue beyond this, they must be re-elected through another renewal ballot (which is identical to a new ballot). It is through references to these voting procedures that proponents of BIDs argue they are both accountable and democratic. Such claims, however, have been questioned by critics who have pointed out that BIDs are only accountable and democratic to business occupiers and not the wider community (Hochleutner 2003; Briffault 2010-11).

The evolution of Business Improvement Districts in the UK

As many a Business Improvement District (BID) practitioner and scholar will tell you, Kingston First was the first British BID to be ‘voted in’. It was elected in 2004 and opened in 2005 in the centre of Kingston upon Thames, an outer borough of London. Three years later the first BIDs in Scotland was voted in. This time it was Enterprising Bathgate which went ‘live’ in the small town of Bathgate a few months after the vote. By the end of 2012, there were 145 BIDs in operation in the UK, with 126 in England, 17 in Scotland and only two in Wales. The city with the largest concentration of BIDs in the UK is London with 25 BIDs while other metropolitan
cities such as Edinburgh and Birmingham also have more than one BID. They have also emerged outside of large cities, opening up in rural areas as well as small and medium-sized towns. As a result the numbers of new BID locations in the UK has shown a steady increase each year between 2005 and 2012, with an average of just over 18 new BID localities each year. The total numbers of BID ballots – including ballots for new BIDs and renewal ballots – was stable at an average of 28 a year between 2005 and 2009. However, in 2011 and 2012, there were 67 and 75 BID ballots respectively (a large number of these were renewal ballots). So while the numbers of new and renewed BIDs are steadily growing, the distribution of BIDs in the UK continues to be somewhat uneven.

As noted above, in order to operate BIDs must pass the ‘dual key test’. How, then, have they fared? Until the end of 2012 a total of 263 ballots took place in the United Kingdom of which 79% (208) passed the test, 21% (44) failed and one which will be discussed later was declared void (see Figure 3). Success at the ballot box is therefore not guaranteed. In Glasgow city centre, for example, a proposed BID led by its Chamber of Commerce was narrowly rejected in the ballot with 48% in favour by turnout and 59% in favour by rateable value. The legislation in Scotland as well as England and Wales allows BID proposers to go back to the ballot box if rejected. This was an opportunity not taken in Glasgow, but eight other rejected schemes did so. Of these, five failed once more while three passed the test (in Altham, Liverpool and Sutton).

Focusing on the renewal ballots, until the end of 2012 a total of 52 BIDs in the UK successfully renewed their mandate for a second term up. Paddington BID and the New West End Company (both in London), meanwhile, were voted in for a third term. Typically a BID will arrange a renewal ballot to take place in the final
year of current term with the operations for the next term commencing the day after the current term ends. This ensures continuity of service but relies on the BID passing the dual key test at the renewal ballot. Indeed, not all renewal ballots have been successful. For in 2011, the first UK BID was rejected at a renewal ballot (in Keswick), a result that was subsequently repeated four times elsewhere (in Sleaford, Hams Hall and twice in Altham). In total, 92% of BIDs passed the test at renewal ballots.

![Figure 3: Outcome of BID ballots in the UK by year (2004-2012)](image)

Source: Data provided by ATCM

One of the BIDs that failed at the renewal ballot was the Bolton Industrial Estate Partnership. The circumstances were somewhat unusual. After almost five years in operation, the BID received 51% voting yes by number and 55% by rateable value at a renewal ballot in 2011. So far, so good. However, two businessmen in
the district appealed against the decision arguing that the margin between the yes votes (90) and no votes (88) was too narrow to justify levying all businesses in the area. The Department for Communities and Local Government agreed and vetoed the BID ballot (something which it has not done before or after) through the powers invested in it through the Local Government Act 2003 (Bolton News, 2012).

Following the veto the BID ballot was repeated in Bolton. This time only 36% of businesses by number voted in favour by number, meaning that the BID was not re-elected. In Coventry, meanwhile, another BID ended its operations in more unpredictable circumstances. This time, the Coventry Best for Business BID, which was established in 2007 to cover 84 industrial estates across the city, experienced hundreds of businesses refusing to pay the levy and a takeover of the board.

Subsequently the new board decided to end BID operations a year before the five year term was up (Reid, 2010). The experiences in Bolton and Coventry, therefore, pose difficult questions about how appropriate the existing ‘dual key’ test is for establishing a BID and also how, and in which circumstances, should a BID no longer operate?

Turnouts at BID ballots is also useful to reflect on, not only because a turnout of 25% or more is one of the requirements for BID adoption in Scotland, but also because it can shed some light on levels of support for BIDs and its electoral process by business occupiers. Let’s turn to the 234 ballots between 2004 and 2012 whose turnout figures we have accessed. Of these, 86 received a turnout of 50% or more and only nine matched or exceeded the turnout of the UK General Election in 2010: 65%. At the other end of the spectrum, it is worth highlighting that no BIDs in Scotland failed to reach the 25% threshold; the lowest being 34% in turnout (the Inverness City BID in 2008) and 37% in rateable value (Edinburgh Grassmarket in
...2012). In England and Wales meanwhile, where data on turnout is patchier, we found only one BID that had a turnout of less than 25%. This was a BID in Argall with a turnout of 24% but was still voted in. Of course, there may be others with turnouts of less than 25% whose turnout data was not available.

The level of popularity of BIDs with voters in the UK becomes a little clearer when looking at the percentage of those voting ‘yes’ in the ballot out of all the eligible voters (not just out of those actually voting). From the available data, only 19 out of the 234 ballots achieved a figure of 50% or more. The highest percentage was 76% for the Segensworth Estates BID in Winchester. The lowest, however, was Evolve Eastbourne with 13%. The former was voted in and the later was rejected, but it is entirely feasible that a BID can be voted in with just over 25% of eligible voters taking part. In total, 72% of ballots had a figure between 20% and 40% of eligible voters voting ‘yes’. Again these figures should be viewed with caution. However, we should be equally cautious when looking at much of the rhetoric that asserts that BIDs are the voice of business in their locality (Rasasinghe, 2013) when the majority of BIDs in the UK received a ‘yes’ vote from less than 40% of eligible voters (Cook, 2009).

In addition to the above issues of adoption, termination and voter turnout, it is also important to consider how the organisational structures of BIDs have developed since 2004. As BIDs was framed as a remedy for the financial problems within TCM, it is not a surprise that the vast majority of UK town centre BID partnerships, such as NE1 in Newcastle upon Tyne, are effectively reformed TCM with the pre-existing TCM scheme being converted into a BID after a successful vote. Nevertheless, other BID schemes have emerged independently of TCM schemes, with the majority of these located on business parks or industrial estates.
The development of BIDs in such places shows how mobile policies continue to mutate once they have ‘landed’, for those initially arguing for BIDs in England and Wales did not expect them to be introduced in such locations. However, following the introduction of BIDs in Winsford and Bolton in 2005, a number of schemes in the UK (particularly in England) have emerged in industrial estates and business parks. The subsequent development of BIDs in industrial estates and business parks, furthermore, has been backed by the ATCM, British BIDs and Business Improvement Districts Scotland (BIDS) whose best practice guides, conferences, seminars and websites demonstrate (somewhat un-problematically) that BID can deliver ‘success’ in industrial estates, business parks and elsewhere. A good practice guide by Business Improvement Districts Scotland (nd: 5), for instance, claims that BIDs in industrial estates and business parks can “can address problems and issues identified by local businesses with solutions that they believe are right…. BIDs are not all talk – they deliver real results”. However, as the examples of Bolton and Coventry show, support from local businesses cannot be guaranteed.

Of course, when considering the evolution of BIDs in the UK we must consider the effects of the recession and the associated austerity measures by the Coalition Government. The economic and political contexts of BIDs in the UK have changed quickly and considerably. The first few BIDs in the UK pursued their strategies in a relatively buoyant national economy, even if in some locations the state of the economy was worse than in others. 57 BIDs were voted in England and Wales prior to the first of the bank bailouts in the UK – Northern Rock on 17 February 2008 – while the first BID in Scotland (Enterprising Bathgate) was voted in less than a month later. Even at this stage, it is unlikely that those in the UK BID community, much like economic and political commentators more generally, would
have foreseen the extent of the financial crisis and the subsequent retrenchment, restructuring and cuts to public services.

Little is known about the effects of the recession on the organisation and the strategies of Business Improvement Districts. What we do know is that the UK has experienced a number of businesses including high street retailers going into administration, closing down or streamlining their operations. The cost of the recession to the UK’s retailers has recently been estimated to be around £23 billion (Thomas, 2013). In the face of this, BID supporters have urged those associated with BIDs to be cautious but also to see BIDs as mechanisms through which local economic development can stabilise and then grow (Reilly, 2009, Houstoun, n.d.). Nevertheless, businesses are finding themselves under significant financial pressures. Looking to cut their costs it might reasonably be expected that businesses look at their discretionary costs – such the annual figure they pay to their BID. At the same time in the UK, public sector budgets have been cut as part of the UK Government’s austerity program. This has meant that the non-core expenditure of local authorities, such as the funding of BID activities, has come under scrutiny. Taken together, the combination of the financial crisis and the state-led austerity program has made the operating climate for UK BIDs harsher.

The figures highlighted earlier on BID adoption and termination suggested that there has not been a wholesale abandonment of the BID concept in the UK. In fact, BID numbers continue to grow steadily. But such an observation does not tell us much about what has happened inside BIDs during the recession. The clearest insight into this so far has been provided by De Magalhães (2012). In his study of BIDs in the UK, he argues that “the recession and spending cuts have had some impact on most BIDs, but so far this impact has been manageable and the model
itself has shown a large degree of resilience” (ibid: 173). BIDs, he details, have been hit harder by reduced or closed funding from local government, Regional Development Agencies (closed down in 2012), and other regeneration ‘pots’ than by reduced business levies. Furthermore, as BIDs are supposed to be complimentary, or additional, to existing public services, De Magalhães reasons that BIDs have also become vulnerable to potential reductions in the non-statutory services that local authorities, the police and other public sector bodies provide, such as marketing, decorations, wardens, CCTV and so on.

As most UK BIDs underwrite their core activities and services through levy monies, their provision has largely been unaffected by local authorities cuts. Nevertheless, with their overall budgets diminished, De Magalhães notes that in the renewal business plans of BIDs he studied, they tended to focus more on their core services – often cleaning, marketing and security. While things have only got worse since De Magalhães (2012) conducted his research – at the time of writing this chapter new centrally-orchestrated funding cuts continue to be announced and national economic growth is at best minimal – his study provides some useful insights into the early consequences of the financial crisis and the UK Government’s austerity program.

What the longer-term implications are for BIDs as a form of territorial governance is not yet clear. The UK Government sees elements of its version of localism (Clarke and Cochrane 2013) in the institutional DNA of BIDs (Department for Communities and Local Government 2012), largely because they are viewed as a “more focused and flexible forms of governance than large municipal bureaucracies” (Levy 2001: 129). However, an increasing number of BIDs will be going for renewal votes over the next few years and this will require them to demonstrate their value
added to the businesses who pay the levy. Local governments will continue to see their budgets reduced and thus they are likely to have less and less resources to fund BID activities and services. At best this would seem to be a complex and contradictory environment in which UK BIDs will, for the foreseeable future, operate in.

**Conclusion**

The focus of this edited collection has been on the challenges and the opportunities presented by different forms of territorial governance and policy. The establishment of Business Improvement Districts in the UK constituted a departure from previous strategies to oversee the governance of town and city centres. Past fragmented approaches were rendered more coherent by the creation of Town Center Management partnerships in a number of cities and towns during the 1980s. This set the institutional territorial context for the introduction of the BID model, which despite its Canadian origins was promoted in the UK as being a US model, one that is both successful and transferrable. This model was amended to ‘fit’ the British context and has subsequently become a significant feature in many towns and cities in the UK. However as this chapter has shown, their introduction and evolution have been geographically uneven. Just ask those behind the rejected BID proposed in Glasgow, the vetoed renewal ballot in Bolton, or the BIDs currently operating in our home cities of Newcastle upon Tyne and Manchester. While BID numbers are growing in the UK, what their future might hold, in the context of the recession and
the ongoing austerity measures, remains unclear, even if they have been re-packaged as 'best practice' New Localism.

The borrowing from elsewhere embodied in the trans-national and trans-urban mobility of the Business Improvement District model underscores the extent to which there is a need to theorise ‘the urban’ as ‘both a place (a site or territory) and as a series of unbounded, relatively disconnected and dispersed, perhaps sprawling activities, made in and through many different kinds of networks stretching far beyond the physical extent of the city’ (Robinson 2005: 763). While issues of territory remain important in urban and regional studies – as other chapters in this collection have demonstrated – the way in which they are important and how best to capture their importance continues to be something of an intellectual challenge in the context of an increasingly inter-connected urban world.

References


