The means: to change places for the better.

Review of Business Improvement Districts in Wales

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The means
Registered Office. 19 Elgin Road, Pwll, Llanelli SA15 4AD
Company Offices:
West End Yard, 21-25 West End, Llanelli, Carmarthenshire
SA15 3DN
81 Southwark Street, London SE1 0HX

Tel 01554 780170, Fax 01554 780170
E-mail info@themeans.co.uk, Website www.themeans.co.uk
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For appendices see associated document ‘Review of Business Improvement Districts in Wales – Supporting Documentation’.
Introduction

“The Welsh Government is committed to ensure that our town centres across Wales have a sustainable future.”¹

The publication of Vibrant and Viable Places: New Regeneration Framework confirms the emphasis that will be placed on town centre regeneration in reversing economic, social, environmental and physical decline. Town centres are clearly identified as priorities alongside coastal communities and Communities First clusters. Acknowledging that interventions need to be designed in ways which optimise the impact of the limited funding available, it advocates, inter alia, partnership approaches and harnessing the efforts and energies of the different sectors. In its references to the role of Business Improvement Districts (BIDs) the Framework responds to the conclusions of Welsh Government’s Enterprise and Business Committee’s² inquiry into town centre regeneration, and the Business Rates Wales Review³.

Both these exercises called for an assessment to be made of the experience to date of BIDs in Wales and led directly to the commissioning of this report. In addition Welsh Government has announced funding of £200,000, over a three year programme, towards the development of further BIDs in Wales. Hence there is an opportunity to set the strategic direction going forward. This was laid out in the brief for this commission:-

The overarching aim of this project is to contribute to the evidence base for supporting BIDs in Wales and to inform future policy development on the potential of BIDs as a tool for town centre regeneration⁴

This aim translates into a series of objectives which are to:-

- Evaluate the local impact, and value for money, of the Swansea BID;
- Consider the effectiveness of the Swansea BID in terms of its economic, social and environmental contribution to the regeneration of Swansea City Centre;
- Provide a summary of the interventions supported by the Swansea BID and rationale for such action;
- Provide quantitative and qualitative evidence to assess the effectiveness of the BID in Swansea;
- Consider the extent to which the strategic, partnership approach adopted by the BID supports town centre regeneration in Swansea;
- Engage with local and national stakeholders, from a range of perspectives, to evaluate the effectiveness of the Swansea BID;
- Consider the lessons learnt from the Swansea experience and the lessons learned from the process in establishing a BID in Merthyr Tydfil; and
- Make recommendations about the potential approaches the Welsh Government, in partnership with others, can adopt to support further BID development across Wales.

The legislation to make BIDs possible completed its passage in 2004 in England – a year earlier than in Wales. The take-up in England has been impressive and there are more than 129 BIDs in operation there. The pace of BID establishment has been maintained, with 31 being established in 2012 alone. In addition to the numerous town and city centre BIDs, many of which emerged from the ATCM/ODPM pilots⁵, there are a significant number of BIDs in areas of an Industrial and more commercial nature.

² National Assembly for Wales Enterprise and Business Committee Report February 2012
³ BETS, Business Rates Task and Finish Group, June 2012
⁴ Welsh Government’s review of Business Improvement Districts in Wales: Brief to Consultants. Sustainable Futures: Homes and Places Division November 2012
⁵ The Association of Town Centre Management received support from the then Office of the Deputy Prime Minister to assist town centre partnerships in England to explore conversion to BIDs. Swansea managed to become part of this programme.
The position could hardly be more different in Wales. Although Swansea was quick to act in becoming the 29th BID in the UK in 2006, it has taken more than six years for the second BID in Wales to be established – in Merthyr Tydfil in October 2012. How might this long gap be explained, and the fact that after seven years there are still only two BIDs in Wales?

Certainly the population in England is much larger, and there are more urban centres of scale. But BIDs in England are already appearing in secondary retail locations, in business parks and in industrial estates, which are not large centres of population. What is even harder to explain is the contrast with Scotland. The legislation went through the Scottish parliament in 2006, a year later than in Wales. Already 19 BIDs are established in Scotland and a further 17 are under development. In 2011 The means undertook a crude exercise to explore what kind of locations in Scotland were progressing BID proposals. Using only population size we sought to identify what the counterpart locations would be in Wales. The results confirmed that scale of settlement did not explain the differential in BID take up. Something else was impeding progress. Many more stakeholders and decision makers needed to be convinced.

Part of the solution, certainly, is to have the right level of advocacy and support. Like any new measure BIDs need champions. The Scottish government acknowledged this in setting up a BID support agency and clearly indicated its intent to support the establishment of BIDs throughout the country. Scottish BIDs actively campaigns for more BIDs to be established and provides support for new and fledgling BIDS, assisting their advance along the learning curve. However BIDs are essentially local responses to unique sets of circumstances, and the benefits of centralized support initiatives need to be delivered in a way which support place-specific solutions and approaches.

Another part, and inextricably linked to it, is the availability of evidence to support what benefits BIDs can bring. This evidence base is currently patchy, and often somewhat anecdotal. But more emphasis is being placed on collecting data on the impact of BIDs. With BIDs subject to democratic accountability through periodic testing at ballot, the growing record of results and the attitudinal sampling that BIDs undertake with their membership tells us much about how their performance is being perceived.
The research methodology

The focus of this report is primarily on the experience in Swansea, but the early experience of establishing a BID in Merthyr Tydfil is also considered. An evaluation framework has been used to provide an evidence-base for assessing the Swansea BID and is informed by a combination of qualitative and quantitative research methods.

The research was undertaken over a four-month period between January and April 2013.

In conducting this study we sought to access empirical data and undertook primary attitudinal research. The report draws upon a number of sources of information including published data from third parties and direct research undertaken for this commission. It should be noted, however, that there was found to be a deficiency of available data to assess certain aspects of the Swansea BID performance and this is highlighted within the report.

Inception meetings

The project team met with representatives from the Welsh Government on 12th December 2012 to agree the scope and scale of the report. A further meeting was then held on 21st January 2013 with representatives from the Swansea BID and Welsh Government in advance of any consultation being undertaken within Swansea.

Primary research

The direct research featured interviews with stakeholders, a business survey and workshop. Attitudinal surveys and semi-structured interviews were undertaken with businesses and stakeholders to establish awareness and approval levels of the BID programme, whilst a workshop focused on the role of Swansea BID and city centre enhancements. Available data from BIDs elsewhere throughout the UK was also scrutinised to determine impact and value for money.

Interviews and survey

Interviews took place with business representatives, as well as local and national stakeholders to evaluate the effectiveness of the Swansea BID. Those consulted included the BID itself, Swansea RAP Board, CCS, Chamber of Commerce, levy paying and non-levy paying businesses. Whilst the BID ballot is secret and there is no way of knowing the way individual businesses voted, attempts were made to interview businesses who were sceptical about the BID concept and/or performance.

A business survey was undertaken with 57 local representatives from a range of businesses. This attitudinal survey aimed to establish the awareness and approval of the Swansea BID and its programme (See Appendix 2).

Workshop

A workshop was held involving BID levy payers, the BID CEO and BID board members on 1st March 2013 at The Dragon Hotel, Swansea. The morning session explored opinions, beliefs, and attitudes towards the role of Swansea BID and its services (See Appendix 3).

The counterfactual

Cardiff University Business School were commissioned to explore what the counterfactual position would have been utilising information obtained from both direct research and third parties. A summary of the findings from this exercise and the data used are included in Appendix 5 of this report. Whilst the counterfactual exercise has proved useful in evaluating aspects of Swansea BID’s programme, it was found that certain improvements (such as city centre safety) were difficult to attribute directly to the BID. This is, in part, due to delivery of projects through partnership working and impact of other services delivered by statutory bodies, such as the Police or local council.
1. The background to BIDs and their progress in England, Scotland, Ireland and Wales

The Business Improvement District model has made an important contribution to shaping the worldwide urban landscape in recent years. BIDs had been a feature of North American cities and towns for a generation before the first awakening of interest in the UK. BIDs had also been established in central business districts in the South African cities of Cape Town and Johannesburg.

Two things may explain why the BID model was not picked up earlier in the UK:

- Arguably British towns were already ‘better managed’ through local council and/or partnership town/city centre management mechanisms. The first TCM was appointed in 1987. By 1996 the Lockwood study was able to evidence that stores in ‘managed towns’ were outperforming comparable units in ‘unmanaged’ towns. Findings such as these pushed the number of managed centres over the 400 mark.
- Second, the Canadian, American and South African experience utilised a financial model where the funding was collected from property owners. It was felt that owners had much more to gain than occupiers from BID type interventions, through seeing the value of their investments safeguarded and enhanced over the longer term. This posed an immediate problem for replication in the UK. Lacking an equivalent form of Property Tax it is not easy to establish who owners are in the UK. Many American commentators predicted that the emphasis on occupiers rather than owners would confound efforts to introduce BIDs here.

Some 13 years later a large and varied BID industry has emerged in the UK, enjoying strong support from the public and private sector, and from owners as well as occupiers of commercial property.

Key Dates:

Two programmes were incredibly influential in creating the conditions for rapid take up of the BID concept in Britain:

- The Circle Initiative, a programme of 5 pilot BIDs in Central London, supported in part by Single Regeneration Funding from Central Government.
- The Association of Town Centre Management’s BID pilots throughout England, and including one in Wales.

Both these prefaced and informed the course of the enabling legislation in the respective countries:

- 18th September 2003 – The Local Government Act introduced Business Improvement Districts (BIDs) to the UK.
- December 2004 – The first BID in Britain went to ballot
- 1st January 2005 – on the earliest date allowed by the legislation, the first BID went live in the UK
- May 2006 – The first BID went to ballot in Wales (Swansea)
- March 2008 – The first Scottish BIDs went to ballot.

Since 2005, when the first UK BID Regulations came into place the number of ballots has grown rapidly. In total 151* BIDs have been formed in Britain. There are 19 BIDs in Scotland†, but still just 2 in Wales.‡

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* This issue remains a stumbling block which to date has frustrated efforts to introduce Regulations which would make mandatory Landowner contributions to BIDs possible.
† Figures relating to established BIDs were correct at the time this report was written, but are likely to change constantly as further ballots take place.
BID locations (based on results to date)*:

- Town Centre 120
- Industrial 22
- Commercial BIDs 4
- Mixed area BIDs 2
- Leisure BIDs 2
- Tourism BIDs 1

Ballot Statistics
There have been a total of 260 BID ballots (including renewal ballots and re-ballots) throughout the UK since the introduction of the BID Regulations. The results of these were:

- 219 'Yes' Ballots
- 41 'No' results

There have been 56 renewal ballots, of which only 6 failed.

Hence the outcome of BID ballots are by no means foregone conclusions, with c. 20% of ballots producing negative results. This contributes to the discipline of BID promoters ensuring that proposals can appeal to the majority of those entitled to vote.

Interestingly the failure at renewal ballots falls to nearer 1 in 10. What we can ascertain from this is that when BIDs are campaigning on their performance already delivered over their first term, they are twice as likely to be successful as when campaigning on their promise of what they will deliver in future.

# Source – *British BIDs, †Scottish BIDs
2. Swansea BID

For many years Swansea City Centre has operated town and city centre management initiatives of a quality comparable to the best in the country. True to form Swansea was a very early adopter of the BID principle. The only place in Wales to be involved in the early pilots, and subsequently the first and for many years the only BID in Wales. This reflects incredibly well on the foresight, dedication and hard work of a band of committed businesses, who were very quick to recognise the potential that a BID would have for the centre, and is testament to the Council’s recognition of, and support for, innovation as a means to bolster the centre’s performance during tough times. The combination of these two factors propelled Swansea BID into the pilot programme organised by the Association of Town Centre Management, even though the funding stream for the pilot was not meant to extend to Wales. This sort of determination ensured a comfortable margin of success when the BID went to ballot in 2006.

Timescales:
1st BID term - May 2006 to April 2011
2nd BID term - April 2011 to March 2016
• Renewal ballot - February 2011 to March 2011
• Renewal campaign - from August 2010

Swansea BID’s seven successful years of operation and a second mandate from Swansea businesses at the renewal ballot in 2011 can act as an inspiration for other centres in Wales. Most of these other centres will be smaller in scale but will be facing similar challenges to the ones that Swansea BID has addressed, and that are faced by retail and commercial centres everywhere. These challenges are complex and changing, and in response BIDs internationally are developing multi-faceted programmes. In Swansea this began with an emphasis on what have become considered “core components”, the so-called safe and clean agenda. Allied to this Swansea BID has developed a strong place marketing offer. This has involved a promotion and events strategy, which famously included TV advertisements – something very few BIDs elsewhere have done. But also involved efforts to make the centre more accessible and welcoming. The BID has also worked hard at delivering benefits to their levy paying members. Like BIDs elsewhere, Swansea BID is beginning to identify its contribution to the bigger strategic issues facing the city centre. This is manifesting itself in the initiatives to reduce voids and the BIDs ability to articulate a distinctive business voice. This was seen as crucial by those businesses who contributed to the consultation and attended the workshop.
The Swansea BID area is large in BID terms, both spatially and by number of businesses – over 800 rateable business units eligible for the levy fall within its boundaries. The BID covers the vast majority of the city centre core, as identified in the Council’s adopted unitary development plan. The notable exception from the BID area map compared with the unitary authority map is the Marina to the south and a section of Alexandra Road to the north.

Their area encompasses two shopping centres, two supermarkets of scale, two nodes of the night time economy, the bus station, the leisure centre, Swansea Museum and Dylan Thomas Centre. Remaining relevant, and visible, to members spread over such a large and diverse area poses logistical and marketing challenges. It is understandable that no extension to the boundary was sought by the BID at the 2011 renewal ballot.
b. The ballot experience

Both Swansea BID ballots were administered by officers who are no longer with the Local Authority. Hence practical experience of the process was difficult to gauge. However, having considered the legislation, the current Electoral Services Team Leader of Swansea Council made a number of suggestions:

- The proposed proxy system seemed impractical as it could result in two ballot papers being in circulation. In other elections a postal proxy must be applied for before the issue of the postal vote, yet in a BID ballot proxy papers may be issued from the moment the notice of ballot is sent to eligible businesses (up to 90 days before ballot date) until 10 days before the close of ballot.
- It would be prudent to apply some postal vote integrity checks implemented by the Electoral Administration Act 2006. For example, use of an ‘A’ envelope with the ballot paper number on it to check against the ballot paper when opening votes
- The production of a security mark on the ballot paper to ensure papers are not copied.

The Chief Executive of Swansea BID found the proxy system particularly challenging – an experience shared by many other BIDs UK-wide. He also noted that updates were provided during the ballot period regarding numbers of votes, but no details were provided on the names of businesses who had returned their papers. There is no national guidance or consistency of interpretation of the legislation on this aspect. Nevertheless it is a key consideration for would-be BIDs and has a significant impact on the eventual turnout. The ballot runs for around a month. Some authorities have been happy to share the information of who has voted during the process, although obviously not how they have voted. This has allowed the BID to contact those who haven’t voted to check that ballot papers have been received and united with the person charged with casting the vote.

These practical considerations are hugely significant in securing participation in the ballot and achieving the high turnouts desirable to support the BID’s mandate in delivering its programmes. Turnouts already compare favourably with those witnessed in local elections and given the comparative newness of the BID ballot procedure, illustrates how effective BIDs have become in getting their messages across.

**Figure 2: Ballot Statistics for BIDs in Wales**

<table>
<thead>
<tr>
<th></th>
<th>Swansea 2006</th>
<th>Swansea 2011</th>
<th>Merthyr 2012</th>
<th>UK Average BID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnout</td>
<td>44.5%</td>
<td>46%</td>
<td>33%</td>
<td>42%</td>
</tr>
<tr>
<td>Number in favour</td>
<td>74%</td>
<td>63%</td>
<td>65%</td>
<td>73%</td>
</tr>
<tr>
<td>RV in favour</td>
<td>65%</td>
<td>57%</td>
<td>65%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Welsh Government should consider whether further guidance could be offered, possibly as an adjunct to the regulations, to clarify how much disclosure on the identity of those who have voted could be provided from the Ballot Holder, usually the local authority, to BIDs during the ballot period.
### Figure 3: UK Comparisons - BIDs with a similar levy income

<table>
<thead>
<tr>
<th>Name of BID</th>
<th>BID Type</th>
<th>BID Term</th>
<th>BID Levy (% of RV)</th>
<th>Budget (p.a.)</th>
<th>No. of Hereditaments</th>
<th>Population*</th>
<th>Ballot Turnout</th>
<th>Vote in Favour (number)</th>
<th>Vote in Favour (RV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ipswich Central (1st renewal)</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.20%</td>
<td>£500,000</td>
<td>620</td>
<td>133,700</td>
<td>68.0%</td>
<td>93.0%</td>
<td>95.0%</td>
</tr>
<tr>
<td>Inswindon BID (1st renewal)</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.00%</td>
<td>£500,000</td>
<td>491</td>
<td>209,700</td>
<td>35.0%</td>
<td>69.0%</td>
<td>67.0%</td>
</tr>
<tr>
<td>Swansea BID (1st renewal)</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.00%</td>
<td>£495,000</td>
<td>800</td>
<td>238,700</td>
<td>46.0%</td>
<td>63.0%</td>
<td>57.0%</td>
</tr>
<tr>
<td>Bournemouth Coastal Districts BID</td>
<td>Leisure</td>
<td>5 years</td>
<td>1.50%</td>
<td>£488,000</td>
<td>770</td>
<td>183,500</td>
<td>42.0%</td>
<td>73.0%</td>
<td>73.0%</td>
</tr>
<tr>
<td>Hull BID (1st renewal)</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.00%</td>
<td>£460,000</td>
<td>1,182</td>
<td>256,100</td>
<td>50.0%</td>
<td>53.0%</td>
<td>64.0%</td>
</tr>
</tbody>
</table>

*ONS mid-year estimates 2011

The above table compares Swansea’s ballot statistics against other UK BIDs with similar levy contributions. The turnout at the Swansea BID ballot is impressive given its high number of hereditaments – only Hull, in this example, has more.

Another insight that ballot returns can give us is the comparison between votes in favour by number and by Rateable Value (RV). In order to be approved, BIDs need to pass both these tests. Like Swindon, Swansea had a higher vote in favour by number than by RV, which would indicate a higher level of support amongst those occupiers of smaller premises, many of whom will be independent traders.
c. Membership – the characteristics of the levy payers

Swansea BID states that its Board includes representative of the different sectors and size of organisations that pay the BID Levy. Of the 14 Board members the composition is:

- Large retail 1 (7%)
- Small retail 4 (29%)
- Leisure 2 (14%)
- Media 1 (7%)
- Professional services/office 1 (7%)
- Small business 1 (7%)
- Swansea Market 1 (7%)
- Local Authority 2 (14%)
- Police (non voting) 1 (7%)

In line with many other BIDs information regarding sectoral breakdown of the businesses within the BID’s boundary is not readily available. The BID industry is beginning to see the advantages of being a central point of information for matters appertaining to their centres. This proves valuable in supporting expenditure decisions and attracting investment to the location. Gathering such information would be useful but has resource implications and, of course, a sense of balance must be struck. Much of the existing membership will be more intent in benefitting directly from current services than collecting and disseminating centre-wide related data.

However, many BIDs themselves are concluding that the advantages are worth the investment of time and effort. Being a source of knowledge on their areas helps with planning, and strongly supports the advocacy role that will become increasingly important to Swansea BID.

d. Income

A defining feature of a Business Improvement Districts is the way that they are funded and the way that this is supported through legislative means. Following success at ballot, BIDs can exercise their right to collect a levy from those commercial occupiers who were entitled to vote in the ballot. Payment of this levy is mandatory and its enforcement, in the event of non-payment, is virtually the same as for National Non-Domestic Rates (NNDR).

Increasingly BIDs have supplemented their income from the levy with additional funding raised from a variety of sources.

i. Levy Income

For virtually all BIDs in the UK, the BID levy is the main, and in most cases dominant portion of their funding. The levy usually takes the form of a percentage multiplier of the rateable value of commercial premises within the BID area. In Swansea’s case the BID levy multiplier is set at 1%. This produces £495k per annum in income for the BID, which amounts to £2.47m over the 5 year lifetime of the second term.

The British BIDs Nationwide BID Survey is the nearest we can get to a comprehensive view of BIDs across the UK. Though not complete it gives a good indication of the characteristics of BIDs in Britain. The 2012 Survey indicates that there are several BIDs with an annual levy income in excess of £1 million. Of the 113 BIDs that responded, 40 had a BID levy income greater than Swansea BID and 72 had a BID levy income which was less.

The Swansea BID levy income amount is close to the average levy income of BIDs in the UK as identified in The means Average UK BID model. The largest levy generated by a BID is £2.7 million at New West End Company, whilst the smallest is New Addington BID at £20,000.

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8 Possibly Heart of London being the only exception where landowners have consistently provided significant voluntary contributions.
9 See Average UK BID Model –www.themeans.co.uk/averageUKBID
The Swansea Levy outturn represents in itself a substantial source of new money to invest in the centre, and completely dwarfs the level of funding that would have been available to the previous city centre partnership mechanisms.

As well as the amount involved, the levy brings other advantages in that it is mostly predictable, and potentially sustainable. The usual term of a BID in the UK is five years, the maximum permissible by the legislation. Swansea’s first and renewed terms have both been for the full five years.

**Predictable** – Once the BID is approved the levy income is more or less consistent over the term of the BID. Most BIDs have a provision which allows an increase in the levy each year in line with inflation. The total collected is only adjusted by properties coming in or going out of rating. The BID levy is compulsory and enforcement is undertaken in the same way as it would be for NNDR. Hence collection rates are high, usually higher than they are for NNDR, and are in the high 90%s.

**Sustainable** – BID levy income is not a grant or a donation; it is a payment for services as laid out in the BID proposal. Businesses make a commercial decision about whether they wish to access those services and hence support the proposal. As long as those services remain in demand, meeting the needs of the businesses involved, the levy will continue. The conclusion from the renewal ballots that have taken place is that the vast majority are successful at renewal ballot and more often than not the margin of victory is increased, although this was not the case in Swansea.

**ii. Other sources of income**

Over the past eight years nationally, BID levy income represents an unprecedented level of private investment into their respective centres, much of it for improvement and maintenance of the public realm. The British BIDs National Survey 2012 also makes it clear how successful BIDs have been in attracting funding from other sources. The range of sources is impressive and the amount raised very significant. Monies have been raised from the private sector through subscriptions from those businesses which for whatever reason do not pay the BID levy, and through voluntary contributions from landowners and developers. The public sector have invested alongside BIDs on numerous projects, in addition to being levy payers, and offering grant support, especially where they have previously supported town centre management arrangements. There are also examples of BIDs accessing European funding.

Amounts vary widely, and how a BID performs in this respect isn’t necessarily a good indication of the quality of that particular BID. Funding availability is a key consideration and this varies from place to place.

Some BIDs have been successful in more than doubling the income they receive through the levy. Swansea BID has consistently attracted joint funding for projects involving the Police and for events. One such project saw the BID work alongside the Welsh Government in drawing down £30k funding for Art Across The City project. This was a tri-partite project, with monies raised from the Local Authority, Welsh Assembly Government Swansea Regeneration Area and Swansea BID.

It has not as yet, however, achieved the levels that many other BIDs have, and this remains something to be exploited going forward. In London additional income was worth on average 28% of levy income. Thirteen BIDs raise equivalent of less than 20%, while six BIDs raise more than 50%. The British BIDs survey estimates an average of 40% being levered nationwide. Replicating this type of level of performance in Swansea would have significant implications. Currently it is an omission, especially given the opportunities that there are to work alongside other agencies investing in the regeneration of the city centre. Swansea BID should systematically explore where its

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objectives could be advanced through collaboration with others, and identify where its levy income could be made to work harder through levering in external match funding.

As is often the case in BIDs elsewhere, the funding that has been levered in in Swansea is largely ring fenced for specific purposes. This is obviously very welcome, but BID management do value the flexibility that ‘free’, unassigned cash offers, for instance to allow the development of new services and projects. We will see in the review of expenditure below that much of Swansea BID’s budget is allocated to ongoing work. This could act as a constraint to innovation. Elsewhere BIDs have carved out Special Projects budgets, in order to support the development of new programme activity.

Examples of Additional “Levered in” funding

- Joint marketing and events initiatives with councils
- Commercial sponsorship of events
- Match funding for additional police officers
- Funding secured through partner or observer status in EU bids, e.g. Interreg
- Landlord contributions e.g. £97,500 to Oldham BID, £967,000 to New West End Company
- Section 106 or Community Infrastructure Levy (CIL)
- Capital contributions to public realm enhancement schemes
- Initiatives with transport providers
- Managing the hire of market stalls
- Managing the hire of community meeting space
- Managing an enterprise hub for hot deskers
- Government grants e.g. for, employee health & wellbeing initiatives
- Receipts for sales of recyclable materials

### e. Expenditure

The table below sets out the annual spend in the different areas of the Swansea BID programme. Two areas of expenditure account for some 46% of the overall budget. Transportation spend is largely linked to the subsidised parking scheme with NCP, and is a notably high figure for a UK BID. Security covers measures such as securing additional police time and the well regarded Taxi Marshall scheme.

#### Figure 4: Swansea BID Annual Budget

<table>
<thead>
<tr>
<th>Theme</th>
<th>Annual spend</th>
<th>%age spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>£120,000</td>
<td>24%</td>
</tr>
<tr>
<td>Security</td>
<td>£110,000</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing &amp; PR</td>
<td>£70,000</td>
<td>14%</td>
</tr>
<tr>
<td>Cleansing</td>
<td>£50,000</td>
<td>10%</td>
</tr>
<tr>
<td>Supporting &amp; Attracting Business</td>
<td>£40,000</td>
<td>8%</td>
</tr>
<tr>
<td>Mgt/office admin</td>
<td>£80,000</td>
<td>16%</td>
</tr>
<tr>
<td>Contingencies</td>
<td>£10,000</td>
<td>2%</td>
</tr>
<tr>
<td>Levy Collection</td>
<td>£15,000</td>
<td>4%</td>
</tr>
</tbody>
</table>
The main determinant informing expenditure decisions will be the impact that spend will have in supporting the BID strategy, but another major consideration is that members should be aware it is the BID using its levy contribution that is making the difference. Many BIDs have become adept at branding services and promoting them, but this is made harder when service delivery is achieved through a third party. Swansea BID may suffer a little from this: the investment in additional police resource will assist in tackling retail crime, but awareness that it is the BID that is enabling this will be more difficult to achieve. The same can be said about additional cleaning bought in from the Council, but at least here the BID can attain some profile from liveried uniforms and equipment. The results of The means’ survey confirmed this awareness, with the vast majority of employees being conscious of high visibility projects, such as city centre rangers (91%), events (91%) and street cleaning (88%).

A relatively new area of activity for the BID has been around supporting and attracting new businesses, but its relevance and importance has been growing quickly. The workshop held with a sample range of businesses emphasised time and again that the BID had a key role to play in advocacy:

“The Swansea BID has a crucial facilitating role to play between businesses and public bodies.”
“Businesses have a bigger voice with the local authority since the formation of the BID.”
“The BID has a role to play in supporting independent retailers and their role within the city and championing rent and rates reduction.”

An area of expenditure that levy payers scrutinise carefully is the portion sometimes described as the administrative overhead. At Swansea, core costs for management and administration are in line with industry guidelines at below 17%, as is the 2% provision for contingencies.

Swansea BID, in line with every other BID in the UK as far as we can establish, uses the Local Authority’s Business Rates collection mechanism to collect the BID levy. A number of councils treat the cost of collection as a contribution to the BID and don’t make a charge, but most do. Swansea’s collection charge at c. £16 per hereditament is amongst the lowest in the UK.
f. Communications and marketing

As noted above, a key finding from our survey of businesses was the high awareness of the BID and its services: just under 90% of those interviewed stated that they were aware of the organisation.

Swansea BID regularly communicates with its member businesses through a newsletter, but makes good use of social media as a tool for communicating with businesses and the wider public. There are c.300 businesses on its e-list, while it has 1458 twitter followers and 1132 Facebook Likes. Loyalty card schemes have proved a popular and effective tool for BIDs to help promote and increase the sales of member businesses. The scheme in Swansea is delivered in partnership with the Local Authority and has 15,000 users and 100 businesses taking part.

Responding to a growing trend for the use of mobile devices as a marketing tool, a Swansea city centre app for shoppers and visitors to use with smart phones, tablets and laptops was launched in April 2013. The free app was developed in partnership with Swansea Council and features listings of shops, restaurants and pubs, as well as directions, shopping vouchers and information about events.

The Swansea BID spends c.£70,000 a year on marketing and PR. Its 2011/2012 annual report states that quarterly their marketing strategies produces paper readership of 287,891 and radio campaigns reach 278,922 listeners. While it does not plan to repeat the experiment with TV advertising in the near future because of the costs involved, it was a valuable exercise not only in promoting Swansea city centre but also in significantly raising the profile of the BID.

g. Relationship with local authority

From 2000 to 2005 the government supported pilot BID activity both to build up interest and awareness of the concept and to influence and inform the development of legislation. At that time the expectation was that future BID development would be undertaken largely by the private sector. That has not been borne out in practice, and the creation of new BIDs has relied to a large extent on at least some form of public intervention, for example through commissioning feasibility work or providing seed corn support for BID campaigns. Swansea was a particularly early adopter of the BID concept. The City Centre Partnership with the encouragement of the City Council successfully applied to become one of the ODPM\(^{10}\) pilots, and this was in advance of the regulations being drafted in Wales.

Whilst the City Centre Partnership was intrinsically involved in that strategic process, the development work was effectively undertaken by city centre management officers employed by the Council. With the perception that the BID was initiated by the local authority the BID’s management felt it needed to establish its independence, and clearly illustrate that its services were additional to what businesses could expect from government through existing fiscal measures. One action it took was for the BID offices to relocate from sharing with the City Centre Partnership and occupy premises of its own. This has helped it to project its own identity. With the BID now more established in the public eye this is becoming less of an issue:

"Ideological issues, around public/private persist – but are diminished"

\(^{10}\) Office of the Deputy Prime Minister, under John Prescott M.P. in conjunction with Association of Town Centre Management.
The Council’s commitment to the BID remains as strong after a change in the political administration, with backing surviving a recent “bonfire of the quangos” that saw council support for other organisations scaled back. City and County of Swansea is effectively an elected member with the appropriate cabinet portfolio holder sitting on the board of the BID. This support is reinforced by a new Council commitment to engage at senior director level, where consideration is being given to how BIDs can fit into any new regional governance landscape. The Council sees the BID as the “natural conduit for consultation with business”. But for that to work best the BID board needs to encompass the range of levels and interests that make up the city centre scene. **This means that in practice the BID needs to attract and maintain representation from the largest national retailers on the board. There are difficulties in achieving this but there are many examples from other BIDs that point to how it could be achieved.**

Likewise, the businesses attending the workshop considered the BID should be the major channel of communication with the Council, the “stepping stone to the big animal”. Our discussions with both the Council and the BID illustrate that there is a movement in emphasis from the janitorial to the strategic.

With a clear strategic context being set by senior members and directors within the Council, operational arrangements are able to evolve on an ad hoc basis. These arrangements are characterised by pragmatism – finding ways of getting things done. One example helps to illustrate this. During the cold weather the Council had the road grit and the personnel to supply it; the BID approached the Council to deliver grit bags to a central point for businesses to use so that they could open for business. Collaboration and clear communication proved critical in delivering this quick response service.

The Local Authority, more used to different levels of scrutiny and accountability, appreciates the degree of flexibility that the BID can apply. Hence the BID and Council acting in consort can be a powerful combination. But there can be a downside to this flexibility too, and the Council cautioned about the BID taking its eye off the ball, and what it considered to be the dangers of drifting into mission creep. However, refreshing senior management within the Authority accepted this as a stage in the development:

*“If there was no tension they wouldn’t be doing anything”*

and ultimately offered a fulsome endorsement of the impact of the BID

*“Swansea is safer and cleaner as a result of the BID”.*

### h. Relationship with city centre management

The BID’s relationship with city centre management (CCM) is interesting on a number of levels:

- The BID grew out of CCM
- There are a number of touch points with CCM which provide both opportunities for collaboration and dangers of duplication
- This is a key issue beyond Swansea for those centres that already have a town centre management regime in place
- The picture across the UK is varied. Most have morphed previous TCM/CCM arrangements into newly established BIDs, but others have not.

As the number of BIDs continue to grow this will become a significant issue in Wales, where many potential BID candidates have long standing town centre partnerships/management arrangements. With tighter budgets and the imperative to make resources go further, being clear about how this relationship will work takes on an added importance. It has a number of dimensions:

- Operational – clearly there must be the highest level of co-operation and co-ordination in service delivery. Anything less will raise questions with levy payers and rate payers
- Strategic – here there is more room for divergence. City Centre Management’s perspective will be informed by a broader range of stakeholders and arguably a longer-term horizon given that it is not subject to renewal ballots every five years.

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*The means: to change places for the better.*
• Spatial – i.e. where the area covered by the BID is not congruent with that served by CCM/TCM
• Personal (or personnel) – much will depend on the establishment of successful personal relationships between officers and those involved in the governance of CCM and the BID.

We will learn below that in Merthyr Tydfil the current stance on this issue is that the BID will work alongside town centre management, with integration of effort being pursued at every opportunity. One of the reasons that TCM will continue to operate after the establishment of the BID in Merthyr Tydfil, is that the BID, as a result of its feasibility exercise, excluded an area of approximately 20% of business hereditaments from the boundaries drawn for its first term.

The position in Swansea is that the BID covers virtually the whole of the existing CCM area. So there isn’t a spatial argument to support running the two organisations in parallel. However it has been argued that there are clearly identifiable “niche”s for CCM and the BID. For instance CCM delivers a range of statutory services, exercises legislative powers and runs services which demand long term sustainability, that the BID with its five year terms can’t provide. An example of this would be the management of Swansea Market, a complicated undertaking and a jewel in Swansea’s retail offer. Similarly the BID has shown how it is uniquely placed to deliver membership benefits, mystery shopper and the like.

What is less clear is whether some service provision such as the rangers service benefits from the dual governance arrangement. However there are other centres which have adopted this model and it works well.

Another area of some overlap is in the sphere of events. It was suggested that both organisations undertaking event promotion was an advantage rather than a drawback, with “some friendly competition” to stage the best offer.

The means: to change places for the better.
There isn't a “one size solution” to the questions of BID / CCM relationships. The optimal arrangements need to reflect the unique circumstances of the particular centre. What would work in one set of circumstances would be inappropriate elsewhere. However it would be useful to develop a set of guidelines which might apply in all circumstances:

- It is essential that excellent communication between BIDs and TCM/CCM are established and sustained. This should be at both operational and strategic levels. It needs to happen on a personal level, but also needs to be formalised or institutionalised through meetings e.g. an annual summit, or attendance at respective governing bodies
- The use of Memorandum of Understanding between BID and CCM could assist in avoiding confusion
- Business Plans should reciprocally acknowledge each other’s programmes
- Jointly funded, and / or jointly managed projects should be established and reviewed
- A debate about the longer-term plan for the BID / CCM relationship should be instigated. Will the relationship be the same going into the third, fourth term of the BID? How might it change? What might facilitate that transition?

It would be relatively simple to consider, amend and approve such guidelines in Swansea and implement a work plan to secure their adoption. Learning from such a process would be helpful for other centres confronted with integrating TCM and BIDs.

i. Staffing – the executive team

At the time of the study Swansea BID had only one employee, the full time CEO. The BID was in the process of recruiting a full time Liaison Officer for co-ordinating with businesses and a part time office administrator. Even with these two in post, the Swansea BID, given its size, would be slim in staffing terms, and illustrates the BID’s determination to “spend money where it’s needed and not have excess personnel”. It will be difficult though for the BID to fulfil its potential, and particularly to advance its advocacy role, with the current staffing set up.

In addition to the BID’s core team the budget supports a number of operational personnel:

- Taxi Marshals x 6, employed by Silurian Security to a detailed specification of works
- Police Officer (at key times) x1, matched by South Wales Police with a further 2 officers. This BID officer is not taken out of the city centre and any arrest resulting in detention at a police station and related paperwork is handled by other officers to ensure a consistent visible service.
- City Centre Rangers. The BID help fund the ranger service rather than specific rangers. Their role is both safety/security and promotional/engagement. The BID have requested and introduced more focused KPI’s coupled with new and smarter branded uniforms.

j. Governance – steering group, board and sub-groups

Structure

In common with other BIDs, Swansea has organised itself as a board with a series of sub-groups, which tend to meet on a monthly cycle. In addition to the larger board of 14 members there is an Executive Board consisting of the Chair, Vice Chair and Company Secretary. The BID CEO is expected to scope out options and make recommendations with the directors taking the final decisions. Occasionally working parties are formed below the sub-groups to progress particular projects like the app or Art in the City. This has allowed the BID to involve businesses with particular specialisms and hence access a huge amount of effort and expertise on a pro-bono basis. The BID’s vice chair speaks persuasively of the need to engage with businesses in ways that allow them to play to their strengths.

Everyone in the governance structure outside the staff team is unpaid, and there has never even been a discussion about reimbursing directors for their time. There is an expectation that directors commit themselves and if they are unable to do so they should stand down. How rigidly this is applied in practice was questioned. But the chair effectively argues that in the circumstances there is a need
to "lead not push". There is a mixture of motivation for serving on the board. The major uniting feature is the opportunity the BID resources provide to get things done. The chair contrasts BIDs to other organisations that “don’t pay for anything other than running themselves”.

Every sub-group has a strategic and an operational plan. The chair of each group is appointed by the board, without an interview, and sits on the board providing updates on progress. New recruits for sub-groups and board are identified by current directors and the CEO and a personal approach is made. Directors are appointed at the board not the AGM. There is a continuous intake of fresh outlooks.

The CEO acknowledges that managing this process can be demanding. For businesses to remain engaged there must be meaningful agendas and structured decision making. But he believes that the model is working well and is encouraging more and more collaboration.

The vice chair thinks that this is perhaps where the BID has performed best: “.....Partnership and team working....moving towards a common goal a common vision. Businesses have grasped the opportunity to get involved in their external environment”.

**Board and Sub Groups – A Balance of Interests**

Swansea BID is predominantly retail in nature and retailers are well represented on the board. There were questions raised though around the mix of independents and multiple retailers and whether the latter are underrepresented given their significance to the centre. Both the chair and vice-chair are drawn from the independent sector. Concerns were expressed that this could skew thinking in one direction, and that it was important that leading voices on the board “were clearly aligned with the breadth of the strategic response to the issues the centre faced”. There is understandably a difference in the outlook and propensity to get involved for an independent business owner and a manager of a multiple retailer whose stay in the city will be temporary. The challenge is to achieve the right balance, in order that the BID gets the best from both.

Another aspect of balance is the public/private split. The idea for a Swansea BID in 2005 arose from the City Centre Partnership. It enjoyed support at political and director level within the Local Authority. Once the BID was established it felt the need to distance itself from the Council in order to establish its own identity. This was understandable given its stage of growth.

The new political administration at Swansea is committed to the BID. The Council is represented by a senior politician. His presence is supplemented by attendance at appropriate fora by senior directors of the Authority. The council believes that the BID could provide an excellent conduit for liaison between the sectors on city centre issues and that the governance structure needs to develop further to facilitate that.

**Developing these aspects could be facilitated through the process described in (h.) above.**
k. Programme

“Delivery.....making a difference. The city is cleaner we have the awards to show it, our car parking offer numbers are up we have the figures to prove it”

This was the chair’s response to being asked what the BID had achieved. A number of things can be gleaned from his comment. The emphasis on getting things done; the reference to evidence to endorse achievement and the choice of issues which, in this case, concern the cleanliness of the city and the success in attracting shoppers/visitors.

The Swansea BID 2011/12 Annual Report focuses on 5 main activities:

- Access and Transport
- Safety and Security
- Cleansing
- Marketing and events
- Commercial Business Group

BIDs evolve as they better understand the needs of their membership, deciding where they can best add value and what is better left to partners and other stakeholders to deliver.

The vice chair had this to say:

“Swansea’s first term was about getting the operational aspects working efficiently and effectively. Now into the second term there is an opportunity to consider – what next?”

The Commercial Business Group which she chairs is the source of most innovation currently with measures to counter empty shop fronts, enliven frontages with art installations and utilise different technology platforms in the promotional push. This represents less a shift in priorities than an extension in them.

Inevitably though strains emerge in attempting to deliver more and more. The Council is disappointed that the BID has not played a more active part in the Purple Flag initiative, and would like to see the BID take a better advocacy role on the wider strategic and regeneration issues. The BID, however, point to the active role they have played in developing the Purple Flag accreditation and that the Local Authority has expressed a desire to lead on this project. The growing advocacy role for the BID was a key discussion point at the workshop we held.

The table below shows where similar BIDs to Swansea, in terms of annual levy collection, focus resources. While each location may have specific issues to address, it is useful to compare the allocation of budget against programme areas to assess Swansea BID in terms of the projects that it prioritises. It is notable that Swansea spends a large portion of annual budget on reduced parking charges, but less that other BIDs of a similar nature on marketing and events. It provides a similar cleansing budget to those that offer such a service and also allocates funds towards supporting and attracting business.
<table>
<thead>
<tr>
<th>Name of BID</th>
<th>Marketing &amp; Events</th>
<th>Parking</th>
<th>Safety</th>
<th>Other</th>
<th>Annual collection</th>
<th>Levy</th>
<th>Heritaments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inswindon BID (1st renewal)</td>
<td>£140,000 Regular events, retail newsletter, What's On guide, visitor website, social media marketing</td>
<td>Lobbies council to reduce costs</td>
<td>£141,000 Warden scheme, radio scheme, training for member businesses</td>
<td>£32,000 Cleansing</td>
<td>£500,000</td>
<td>491</td>
<td></td>
</tr>
<tr>
<td>Swansea BID (1st renewal)</td>
<td>£70,000 Media campaigns, social media, loyalty card</td>
<td>£110,000 Funded parking scheme. £1 an hour up to 3 hours with NCP</td>
<td>£110,000 Street rangers, police officer, taxi marshals</td>
<td>£50,000 Cleansing</td>
<td>£495,000</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Bournemouth Costal Districts BID</td>
<td>£225,000 Promoting Bournemouth as a destination.</td>
<td>N/A</td>
<td>N/A</td>
<td>£10,000 Business support</td>
<td>£488,000</td>
<td>770</td>
<td></td>
</tr>
<tr>
<td>Ipswich Central (1st renewal)</td>
<td>£302,620 ‘Place Marketing’ theme - includes advertising, events and promotions, transport initiatives and Best Bar None scheme</td>
<td>Part of its ‘Place Marketing’ theme.</td>
<td>Part of its ‘Place Management’ theme. Street Rangers, bespoke crime database, radio link, child safe scheme</td>
<td>£297,311 ‘Place Management’ theme - cleansing projects, planting, lighting, signage, bespoke crime database, street rangers, radio link</td>
<td>£500,000</td>
<td>620</td>
<td></td>
</tr>
<tr>
<td>Hull BID (1st renewal)</td>
<td>£136,500 Events, promotions, loyalty scheme</td>
<td>N/A</td>
<td>£79,500 Warden scheme, support for police patrols, radio system</td>
<td>£69,300 Cleaning &amp; maintenance.</td>
<td>£460,000</td>
<td>1,182</td>
<td></td>
</tr>
</tbody>
</table>

All budget figures are in relation to average annual budgets as noted in BID business plans.
I. Three key services - and their value for money

i. Safe and Secure

Swansea City Centre can lay claim to an offer which appeals to all age groups. It extends late into the evening with a thriving night time economy, and clubs of international repute. As ever there is the potential for conflict between different user groups, and the BID aims to achieve an inclusive centre able to attract different demographics capable of supporting a range of businesses. Key to this is dispelling any perception that the centre is anything other than safe and secure. Swansea BID delivers a range of services aimed at:

‘creating a City Centre which is recognised as being safe and friendly, building upon our track record of delivering highly visible City Centre Rangers and Police presence.’

Alongside the investment in Rangers and the Police, Swansea BID ‘will continue to develop our highly successful Taxi Marshal project.’

How the BID will achieve it:

Within the BID’s 2011-16 Business Plan the thematic area ‘Security’ accounts for £110,000 (22%) of the yearly budget excluding the levered funding from CCS for the Night Time Economy Co-ordinator (£26,000p.a.) and South Wales Police support for an additional Police Officer (£5,000p.a.). This represents a significant proportion of the BID’s resources and is the second highest expenditure item after transportation.

The BID’s security programme comprises rangers, taxi marshals, police officer, night time economy officer and night time rangers. The BID recognises that these services need to be delivered in cooperation with South Wales Police, the Local Authority, Safer Swansea Partnership and the Business Crime Reduction Partnership.

The components are:-

- Part funded Police Officer (similar to Team London Bridge who purchase ‘patrol hours’ equivalent to 1FTE). However, when they arise, other operational demands can take precedence.
- Part funding for City Centre Rangers in conjunction with the Local Authority

The part funding of police and ranger posts represent a cost effective means of service delivery, but do have implications for the BID in two respects:-

- Recognition of the BID involvement – a particular problem in respect of the police who cannot be branded to signify BID support. While the BID police officer is given a BID information sheet and business are informed of the project, lack of visible branding should be a major consideration for a BID seeking to evidence the benefits it is delivering its membership.
- Operational and strategic control – it appears that the BID and CCM have developed appropriate protocols around the tasking of the ranger service. This compares favourably with
examples from elsewhere in terms of the BID’s ability to influence the charge being made to the BID from the Council and the level of awareness of BID involvement.

**Taxi Marshals**

These considerations are not an issue when it comes to the final component in this theme. The six Taxi Marshals are 100% funded by the BID. The service mainly covers Wednesday (during student term time), Friday and Saturday evenings and responds to other peak times, e.g. events. A private security firm, Silurian Security, is contracted to run the service and all staff are SIA (Security Industry Accredited). The Taxi Marshal team are located at several sites around the city and staff provide support both to the police and street pastors to ensure the well-being of those enjoying the night time economy.

The need for working in partnership in the area of Safe and Secure is a given. But it does present two issues for undertaking an evaluation. Firstly, disaggregating the performance that is attributable to the BID input. Secondly gauging the level of awareness amongst the levy payers of the level of involvement of the BID.

**What the BID has achieved to date**

The BID’s 2011-16 Business Plan claims a reduction in:
- Violent crime and disorder by 68%
- Retail crime by 21.1%
- Retail theft by 15.3%
- Anti-social behaviour by 25.5%
- Excluded 116 persons from centre since 2010

*(Statistics provided by South Wales Police)*

**Awareness and valuing the service:**

In *The means*’ survey 60.3% of employees recognise ‘improving safety and security’ as a role that the BID is playing in improving Swansea City centre. Over half of employees value the service – 58% of employees consider the performance of the BID’s safety and security service to be good or excellent, 19% adequate, 9% not good and 14% don’t know.

Awareness of the different services within this category is variable – recognition of the BID’s City Centre Rangers is high at 91.4% compared to 58.6% of employees being aware of the Taxi Marshals. This can in part be explained by the Taxi Marshal service being targeted at the Night Time Economy.

The service, particularly the Taxi Marshals, is valued by South Wales Police who state that “it had made a big impact” and consider it to now be an essential service which “has cut down on hotspots for disorder”. The Police believe that the presence of the Taxi Marshals “provides re-assurance for visitors to the centre during the evening”.

The perception of safety in Swansea City Centre has improved by two percentage points between 2005 and 2012. Swansea BID has contributed to this improvement through investing in services provided by others and through its own Taxi Marshal scheme. The BID will wish to ensure that it is using its resources to best effect, and it is difficult to untangle cause and effect in the area of “perception of safety”. The model that has been developed for the Taxi Marshals looks like an exemplar.

The police were unable to provide statistical evidence of the city centre on a disaggregated basis. The BID should explore whether this could form the basis for negotiating further SLAs.

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11 Swansea City Centre Survey

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*The means:* to change places for the better.
ii. Parking

Parking in urban centres is a contentious issue and one that causes tensions between businesses and local authorities: as the debate grows, so too does the call for robust evidence that demonstrates a correlation between parking, charges, and footfall.

A key element of Swansea BID’s programme is the reduced-rate parking scheme it operates with NCP. The BID’s car parking strategy aims to:

*Improve transport and access to the city centre* and *Increase the City Centre’s foot flow through parking projects, marketing them to the greater audience.*

It is notable that the Council-run car parks do not currently form part of the scheme. The Council’s transport strategy also aims to facilitate a modal shift away from use of the private car to access the city centre.

Swansea BID has, however, worked with the Local Authority in the past on car parking promotions. Yet in 2010 it decided to move the car parking promotion to NCP due to, what it saw as, a lack of tangible data from the Local Authority for use in evaluating return on investment. Discussions continue between both parties with regards to possible future promotions that could include park & ride.

How the BID will achieve it:

Within the BID’s 2011-16 Business Plan the thematic area of ‘Transport’ is the highest expenditure area and accounts for £120,000 (24%) of the yearly budget. Of this, £110,000 is allocated towards reducing the cost of parking for visitors and member businesses.

The BID’s parking promotion is delivered in partnership with NCP and offers reduced rate short-term parking for visitors and reductions on day rates for member businesses’ employees.

What the BID does:

- In 2012 the BID replaced the offer of free parking for the first hour with a ‘1,2,3 NCP’ promotion to increase length of visit.
- Reduced parking charges at NCP facilities to £1 an hour for up to 3 hours – before the introduction of the promotion charges were £1.50 for 1hr, £2.70 for 2hrs and £3.90 for 3hrs
- As part of its member benefits package, the BID provides discounts on day rates at NCP-operated car parks. BID members can park all day for £4 and make a saving of £7.50 a day.

What the BID has achieved to date:

- Annual Report 2011/12 claims 20.5% increase year on year in NCP operated car parks and over 1 million offer users.
- Over £700,000 savings for BID members
- Skill Smart Retail Survey found that 43% said that parking was easier to find and well marketed in the city compared to national average of 41%

NCP’s regional manager noted that the scheme would not be financially viable without the support of the BID. She added that the current scheme, introduced in 2012 to replace the first hour free offer, had increased the number of stays for two and three hours and reduced one hour stays. The sharing
of information was highlighted as a major benefit of the working partnership and meant that the operator could have a closer relationship with city centre businesses.

While it can be demonstrated that those parking at NCP operated car parks has increased, the Council point to a significant drop in income and usage at their facilities – particularly its park & ride offer. There was also found to be an adverse effect on its integrated transport policy in relation to encouraging short term parking in the city centre and longer term parking in the park and ride facility.

**Awareness and valuing the service:**
83% of employees interviewed were aware of the parking promotion delivered by the Swansea BID. This was one of the highest recognised services and many interviewed commented on the service and the issues of parking when asked what more the BID could do. Comments included:

“Car parking should be cheaper for longer”
“Improve car parking – make it free!!”
“The key issue is parking”
“The parking offer is good, but seriously aggressive parking wardens are putting motorist off visiting”
“Parking is the main problem for the city”
“More parking should be provided and it should be cheaper”

Whilst awareness of the reduced rate parking promotion was high, views were mixed when asked about the BID’s performance in relation to parking and transportation. 14% considered the BID’s performance to be very good in relation to this theme area, 24% good, 24% adequate, 21% not good, 5% not very good and 12% don’t know.

Parking proved to be a topical issue when talking to businesses, as was the road system. Whist many businesses felt that the Swansea BID was ‘doing all it could’, many felt that free parking, especially short term stays, should be introduced across the city to compete with out of town retail destinations.

**There isn’t a town centre where car parking is not an issue. Swansea BID has tackled the issue head on. The resultant service is popular**
12 and a vote winner. However the extent of the scheme means that it accounts for a significant proportion of resource. There are also fears that it has partly resulted in displacement from Council to private car parking rather than growth. The available evidence is not conclusive, and one would expect an active and ongoing dialogue between the council and the BID on this critical issue.

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12 Swansea City Centre survey found that those rating parking in the centre as poor more than halved between 2005 and 2012.
iii. Events

The city centre events programme is both interesting and innovative. In 2012 over 40 events took place in key central locations and many were delivered with Swansea BID working alongside the Council’s city centre management team. The BID aims to target resources, particularly funding and marketing, at key events to raise the city’s profile and increase footfall. The funding of additional events by the BID and some “friendly competition” to stage the best offer was seen as a positive by Swansea Council.

Weekly data from the BID’s NCP scheme is provided to the Local Authority and analysis information gathered from footflow cameras, funded by City Centre Management, is provided on a bi weekly/monthly basis to the BID. Nevertheless, it was found that communication and sharing of information between both parties in relation to events, especially with regards to evaluation, could be improved. A new undertaking by the City Centre Management team to gather data from businesses and a proposed scheme by Swansea BID to work with Swansea Metropolitan University business students to deliver business and shopper surveys, as part of their curriculum, may improve the quality of data for use in evaluate the success of events.

A key aim of the BID in relation to its support for events is to: ‘Continue to promote the city centre as a destination for exciting events and new attractions as a method for driving footfall and generating additional spend.’

How the BID will achieve it:

- Within the BID’s 2011-16 Business Plan the thematic area of ‘Supporting and attracting customers and business’ has an annual budget of £40,000, which equates to 8% of the yearly budget.
- The BID works with the city council and other partners, such as South Wales Evening Post, to support and deliver a selection of city centre events.

What the BID does:

- Works in partnership, and provides support for major events organised by the Local Authority
- Finances key events – Swansea Live, National Transport Festival and Get Welsh Food, Drink and Craft Festival
- Targets major events to increase footfall to the city centre, as opposed to organising and sponsoring a programme of small scale events
- Contributes £10,000 to funding a BBC Big Screen. Located in Castle Square, the screen is used for city centre events and special screenings
- Secured a city centre building for ‘meanwhile use’ where students will be based to deliver free events.
- Working on a clear strategy to enable event programme clarity
What the BID has achieved to date:
- The 2011-16 Business Plan claims that past events delivered by the BID were widely recognised as a highly innovative way of generating additional retail spend in the city centre.
- Increased foot-flow – over 150,000 additional visitors delivered in first term.
- Swansea Live event attracts between 18,000 to 20,000 visitors

Awareness and valuing the service:
A key aim of the BID’s support for major events is to increase visitor numbers. In The means survey, 67.2% of those interviewed recognised ‘promoting the city centre to visitors’ as a role that the Swansea BID is playing in improving Swansea City centre. 91% of those interviewed were aware of events as a service provided by the BID, although it could be difficult to distinguish between events organised by the BID from those organised by others.

Views were mixed when asked about the BID’s performance in relation to marketing and events. 10% considered the BID’s performance to be very good in relation to this service, 33% good, 36% adequate, 5% not good, 3% not very good and 12% don’t know.

It is clearly not in the BID’s interest nor is it its intention to be the deliverer or co-ordinator of all events-related activity in the city centre. It is also clear that events are a major driver of footfall and enjoy support from BID members. The issue then is one of improvement, and in particular whether closer co-operation and co-ordination between the different providers of events would increase their impact. Each of the consultees appeared to acknowledge this but we were unable to discern a clear strategy to achieve it.
3. The Big Heart of Merthyr Tydfil

Until fairly recently BID experience in Wales was limited to Swansea. Very little work or consideration had been given to the concept elsewhere. In 2012 Merthyr Tydfil became the second location in Wales to establish a BID, six years after the founding of the Swansea BID. The experience in Merthyr Tydfil, which has a markedly different commercial core to Swansea, provides valuable lessons for other towns looking to develop BIDs as a tool for town centre regeneration. The following sections examine the development of the Big Heart of Merthyr Tydfil BID from initial feasibility stages to delivery of services.

Overview
The Big Heart of Merthyr Tydfil BID was approved on 4th July 2012 following a ballot of businesses eligible to pay the BID levy. While the positive result was the product of over two years of consultation and campaigning it came as a surprise to some observers, both regionally and nationally, and stimulated discussion about the potential role for BIDs in Wales.

- Timescales
  - February 2010 – Consultants appointed to undertake a first phase development study
  - December 2010 – BID Development Study report is published
  - January 2011 to October 2011 – Planning and arrangements made for BID campaign
  - November 2011 to July 2012 – BID Marketing and Campaign
  - June 2012 to July 2012 – Ballot
  - September 2012 to September 2017 – BID term
  - March 2013 – First AGM

- Number of businesses
  - 250 eligible hereditaments (business premises with a rateable value of over £5,000)

- Financials
  - BID levy generates c. £120k p.a. / £620k lifetime (assuming 3% annual inflation increase)
  - The BID Levy multiplier is set at 1.35%
  - Funding from other sources: £223,000 over the five year lifetime of the BID from the Welsh Government and £150,000 Merthyr Tydfil County Borough Council (£30,000 per annum to be agreed annually)

- Ballot results
  - 65% in favour by number
  - 65% in favour by rateable value
  - 33% turnout (lower than the average BID ballot turnout but compares favourably with local elections)
a. Timescales - Initiation of the BID project in Merthyr Tydfil

As is the case with many BIDs in the UK, the BID project in Merthyr Tydfil was supported by the Local Authority. Funding for the initial feasibility stage was provided by the Welsh Government and a development study was commissioned to test the reaction of potential voters, review costs and potential income and to draft a development plan and timeline. Consultants were appointed to undertake the study in February 2010 and, following consultation with businesses through a survey and visioning event, published a report\textsuperscript{13} in December 2010. Its recommendations were considered by Merthyr Tydfil County Borough Council, the Town Centre Partnership and the local Business Club and a decision to proceed to ballot was taken in early 2011. Consequently, a steering group made up from representatives of local business, organisations and statutory bodies was established in October 2011 to oversee a campaign for the BID. The ballot of all eligible businesses took place from 31\textsuperscript{st} May 2012 to 4\textsuperscript{th} July 2012.

It is often a surprise to those aspiring to develop a BID that the process can take between 18 months and two years. The process began in Merthyr Tydfil in early 2010, whilst the campaign for a BID was initiated in November 2011.

Following the success of the ballot, a period of time was spent forming the new organisation with the BID going live on 1\textsuperscript{st} October 2012.

\textsuperscript{13} ‘Merthyr Tydfil Business Improvement District Development Study’ The means
b. The area

The designation of a BID area relies upon a number of factors that include:

- potential levy income from rateable properties
- geographic factors and administrative boundaries
- potential projects and services.

The challenge is to find the right balance between financial sustainability, the prospect of winning a ballot and the identification of an effective programme of improvements. For the purpose of defining the area in Merthyr Tydfil, *The means* matrix\(^{14}\) was used to sub-divide the central area into five potential zones. Tests were then applied to each zone and recommendations made regarding their suitability for inclusion within the BID area. A significant decision in the development of the BID in Merthyr Tydfil was to omit an important historical area, Pontmorlais, as the levy outturn would have been disproportionate to the expenditure needed to secure lasting improvements. The trading economy elsewhere in the centre of Merthyr Tydfil was not sufficiently robust to subsidise the inclusion of Pontmorlais. Hence in a decision with wider applicability than Merthyr Tydfil, another mechanism was identified for Pontmorlais, with the option retained for its inclusion in the BID at a subsequent renewal ballot.

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\(^{14}\) *The means* matrix of BID feasibility criteria is used to assess sustainability, viability, marketability, do-ability and social responsibility.
c. The ballot experience

The ballot in Merthyr Tydfil took place between 31st May 2012 and 4th July 2012. As is the case with the majority of BID ballots, the Local Authority acted as the ballot holder and administered the process. In advance of the ballot period, the Democratic Services Department of Merthyr Tydfil County Borough Council and the BID project management team agreed timings, the ballot process and identified the potential issues. Officers from the Local Authority also sought advice from Swansea City Council, following their experience of the Swansea BID ballot process. Although these may appear very practical considerations, they are in fact hugely influential in the formation of a BID.

The ballot period, which lasts around one month, is a busy and anxious time for any developing BID. In Merthyr Tydfil a concerted effort was made by the BID project management team to ensure that identified supporters had received ballot papers and measures were put in place to assist those in need of replacement papers. Reports by the ballot holder during the ballot period can vary from area to area. In Merthyr Tydfil ballot papers remained unopened until the final day of voting and no reports on those businesses who had voted were provided to the BID steering group. This proved a hindrance in efforts to encourage those who had not voted to do so and to identify possible lost papers. The lost ballot process, which only permits reissue of papers from four days before the close of ballot date, was also found to be an issue. The turnout in Merthyr Tydfil was lower than that of the average for BIDs in the UK, as highlighted in The means Average UK BID model, however it was in line with turnout at local elections.

Figure 7: UK Comparisons – BIDs with a similar levy income to Merthyr Tydfil

<table>
<thead>
<tr>
<th>Name of BID</th>
<th>BID Type</th>
<th>BID Term</th>
<th>BID Levy (% of RV)</th>
<th>Budget (p.a.)</th>
<th>No. of Hereditaments</th>
<th>Ballot Turnout</th>
<th>Voting Favor (numbe r)</th>
<th>Voting Favor (RV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skipton BID</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.00%</td>
<td>£123,448</td>
<td>570</td>
<td>40.7%</td>
<td>58.9%</td>
<td>73.0%</td>
</tr>
<tr>
<td>Elgin BID</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.50%</td>
<td>£123,000</td>
<td>440</td>
<td>45.0%</td>
<td>75.25%</td>
<td>72.0%</td>
</tr>
<tr>
<td>Merthyr Tydfil</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.35%</td>
<td>£120,000</td>
<td>250</td>
<td>33.0%</td>
<td>65.00%</td>
<td>65.0%</td>
</tr>
<tr>
<td>Kings Heath BID (1st renewal)</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.50%</td>
<td>£120,000</td>
<td>312</td>
<td>42.0%</td>
<td>66.0%</td>
<td>52.0%</td>
</tr>
<tr>
<td>Dorchester BID</td>
<td>Town Centre</td>
<td>5 years</td>
<td>1.00%</td>
<td>£109,000</td>
<td>421</td>
<td>57.0%</td>
<td>60.0%</td>
<td>74.0%</td>
</tr>
</tbody>
</table>

The above table compares Merthyr Tydfil’s ballot statistics against other UK BIDs with similar levy contributions. It is notable that it had the same number of votes in favour by number and by RV, indicating similar support from both large and small businesses.

15 See Average UK BID Model – www.themeans.co.uk/averageUKBID
d. Membership – the characteristics of the levy payers

The BID area in Merthyr Tydfil can be viewed as three distinct zones, as highlighted in the map at section b. There are 250 eligible hereditaments (individual rateable properties) within the BID area, and c.235 member businesses. The retail core features two shopping centres, a supermarket and pedestrianised high street. Independent retailers, office space and cafes and bars predominantly feature on the surrounding streets. Independents make up c.45% of the membership, multiples account for c.38% and c.13% of premises are currently empty. In addition, 3% of members have charitable status.

e. Income

The BID levy multiplier in Merthyr Tydfil was set at 1.35% on hereditaments with a rateable value of £5,000 or more. This produces around £120,000 per annum income for the BID, which amounts to c.£620,000 over five years, once inflation of 3% has been taken in to account. This figure is below the average levy income of BIDs in the UK, as highlighted in The means Average UK BID model\(^\text{16}\).

The income derived from the levy on businesses is supplemented by an annual contribution from the Local Council of £30,000 and a contribution of £232,000 over the five-year lifetime of the BID from the Welsh Government. This additional funding is a critical element of the BID in Merthyr Tydfil, yet the levy contribution remains the largest portion of the budget and provides a sustainable income over a five-year period that could be used to attract further match funding.

\(^\text{16}\) See Average UK BID Model – [www.themeans.co.uk/averageUKBID](http://www.themeans.co.uk/averageUKBID)
f. Expenditure

The table below sets out the annual spend in the different areas of the Merthyr Tydfil BID programme. The four programme areas are fairly evenly funded. Core costs include levy collection at 4% of spend and BID management and office administration support at 18% of spend. The cost for management and administration are slightly higher than industry guidelines, but can be explained by the lower than average income and necessary staffing requirements.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Average annual spend</th>
<th>Projected lifetime spend</th>
<th>%age spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting</td>
<td>£38,500</td>
<td>£191,727</td>
<td>19%</td>
</tr>
<tr>
<td>Welcoming</td>
<td>£36,500</td>
<td>£182,479</td>
<td>18%</td>
</tr>
<tr>
<td>Engaging</td>
<td>£34,289</td>
<td>£171,445</td>
<td>17%</td>
</tr>
<tr>
<td>Transforming</td>
<td>£39,000</td>
<td>£196,944</td>
<td>20%</td>
</tr>
<tr>
<td>Core Cost (inc. levy collection)</td>
<td>£44,123</td>
<td>£220,616</td>
<td>22%</td>
</tr>
<tr>
<td>Contingencies</td>
<td>£6,000</td>
<td>£29,790</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£198,412</strong></td>
<td><strong>£993,001</strong></td>
<td></td>
</tr>
</tbody>
</table>

Figure 8: The Big Heart of Merthyr Tydfil Annual Budget

<table>
<thead>
<tr>
<th>Theme</th>
<th>Average annual spend</th>
<th>Projected lifetime spend</th>
<th>%age spend</th>
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<td><strong>£993,001</strong></td>
<td></td>
</tr>
</tbody>
</table>

g. Communication and marketing

A local company was contracted to develop marketing material for the BID campaign and initial stages of implementation. As part of this process a brand identity was developed for the BID company that helped to inform other marketing material, such as information leaflets and a proposal document. Following the formation of the BID in October 2012 a visitor facing image / brand was also created - ‘We [heart] Merthyr’. Soon after its incorporation, the BID developed a marketing campaign for the Christmas period to enhance the exposure of activities planned for the town centre during the festive period. Rather than run activities itself it worked alongside others, such as the Local Authority and Shopping Centre, to help coordinate and promote what each was doing.

In January 2013 two working groups were established to oversee marketing activities to visitors and to enhance communication between businesses within the BID area. The initial focus for promotional activities was put on developing town centre events, around Valentine’s and Mother’s Day, and on creating social media opportunities.
A key issue identified during the campaign stages was limited email use amongst businesses within the BID area and this proved an obstacle to communicating with all businesses effectively.

Electronic communication as of 28th March 2013:
- Two websites – corporate website and event focused website (www.thebigheart.net / www.welovemerthyr.co.uk) . Merthyr Tydfil town centre visitor website provided by Merthyr Tydfil town centre partnership.
- Use of social media – Twitter followers 92 Facebook Likes 91
- Businesses on e-list c.60 (issue with lack of business emails)

h. Staffing – the executive team
During the initial implementation stages the Big Heart of Merthyr Tydfil BID was supported by consultants and the local town centre manager. Future staffing provision was to be agreed following an AGM to elect a Board on 18th March. At the time of this study, staffing arrangements saw two days of the town centre manager’s time allocated to working with the BID, whilst consultants worked on agreed tasks.

The allocated budget for staffing the BID is £46,000, along with the town centre manager’s time of 2 days per week, effectively a contribution in-kind from the local authority.

i. Governance
The Big Heart of Merthyr Tydfil BID has formed a board along with a series of sub-groups that align to the BID’s four theme areas. Both the board and sub-groups meet on a six-weekly cycle.
In Merthyr Tydfil, the board of directors grew from a Steering Group which had led the organisation through the campaign stages. Following the successful ballot, a concerted effort was made to attract further directors from a range of businesses. A total of 11 directors were approved at the organisation’s first AGM, held on 18th March.

The structure of the board in Merthyr Tydfil is as follows:
- 5 Large Business
- 4 Small Business
- 1 Landowner
- 1 Occupier (drawn from the Business Club)
- 1 Residential Members (TBC)
Representatives from the Local Authority and a strategic agency may also attend meetings of the directors in a non-voting capacity.

Sub-groups were established in January 2013 and representatives from all eligible businesses were invited to attend meetings. By March 2013, all sub groups had met at least once and their membership and strategic objectives were becoming established.

j. Relationship with local authority
The BID in Merthyr Tydfil was supported by the Local Authority from initiation and since its formation a strong relationship has endured. While it is still very early in the lifetime of the BID, close co-operation has been strengthened by three key commitments from the Local Authority. Firstly, the leader of the Council sits on the Board and is joined at board meetings by the Physical Regeneration Manager in an advisory role. Second, an allocation of the town centre manager’s time (up to two days a week)
has been assigned to working for the BID. And third, additional funding of £30,000 (to be agreed annually) is provided to help fund activities. The Council sees the potential of the BID as an effective means of building stronger relationships with town centre businesses. Commenting on the new entity, the Leader of the Council said he “valued the BID’s ability to make strategic decisions and complement what other stakeholders want to do”.

The chair of the BID and manager of the town’s main shopping centre clearly believes that good working relationships had been developed:

“Partnership working has improved in the town, this is not totally down to the BID but it has been a huge contributing factor”

The success and sustainability of current arrangements will need to be fully reviewed in the future, although the initial experience indicates a close working relationship between the BID and Local Authority.
k. Relationship with town centre management

While the Council has demonstrated strong support at political, director and officer level, a collaborative approach has emerged between the BID and town centre management in relation to area improvements and promotions. This day-to-day working relationship was initiated during the campaign for a BID, where support was provided in terms of business contacts and briefing events, and developed as projects became activated following the ballot. The initial experience has demonstrated that this relationship was working well and had the approval of board members. An area of concern for the town centre manager was the geographic area of the BID, which was smaller than the area TCM covered. It was also noted that the potential for differing demands from the Local Authority and the BID would have to be managed carefully. As in other BID areas, the relationship with the town centre manager is a critical one and close collaboration and co-ordination of efforts can negate the duplication of efforts to maximize return on investments.

At the time of the report being written, the future of staffing the Big Heart of Merthyr Tydfil was being finalised. It seems likely that the BID manager will be directly employed by the local authority. We believe that only one other location in the UK, Plymouth, has pursued this route.

I. Relationship with other stakeholders

Although the BID in Merthyr Tydfil is in its infancy, relationships with a number of stakeholders are well established having been formed during the development and campaign stages:

- Representatives from South Wales Police and Voluntary Action Merthyr Tydfil, formed part of the steering group.
- A South Wales Police Section Inspector responsible for the town centre area attends the Welcoming Merthyr Tydfil theme group and is invited as a Statutory Body representative to Board Meetings
- A representative from Merthyr Tydfil Housing Association is a Board member

m. Programme

The programme in Merthyr Tydfil was identified following consultation with businesses as part of the development study and refined through discussions with the BID steering group. Four theme areas were identified that were complemented by eight pledges. The pledges, which were to be delivered over a five-year period, formed a central part of the BID campaign and include the following:

- We will promote the town centre to visitors and raise awareness of attractions
- We will capture more local spend by enhancing the town centre experience and encouraging repeat visits
- We will create a more welcoming town centre through introducing street ambassadors and support for the pubwatch & shopwatch schemes
- We will improve communication between businesses, the community and the council as well as with contractors about town centre works
- We will actively represent the interests of businesses with any future development of the town centre
- We will improve the town centre environment through greening and regular maintenance
- We will find cost savings to business through collective purchasing and recycling
- We will ensure that all money raised will be used for the benefit of the BID area and that services we deliver are extra to those funded through business rates

The programme of improvements in Merthyr Tydfil focuses on core activities relating to marketing/promotion, safety, cleanliness and finding cost savings for businesses. The four key programme areas in Merthyr Tydfil consist of the following:

- Promoting Merthyr Tydfil—marketing the town centre to visitors and capturing more local spend
- Welcoming Merthyr Tydfil – enhancing the town centre experience
- Engaging Merthyr Tydfil – better communication between businesses and realising cost savings through collective purchasing
- Transforming Merthyr Tydfil – creating a thriving business and retail environment

Each theme area is overseen by a working group made up from representatives of levy payers. The groups meet every six weeks and report back to the BID board. Early on, the working groups identified quick win opportunities, along with projects to be developed over the long and medium term. Theme group members also suggested other projects and partnership to be explored. This evolutionary process is common as BIDs become established and start delivering its programme. While these prospects present new opportunities, they must be delivered within budget and meet the overall aims of the BID as set out in the proposal document.
4. Conclusions

The take up of the BID model in the UK has been faster than anyone imagined when the legislation was being considered in the early 2000s. The steepness of the national growth curve masks the fact that that progress in Wales has been incredibly slow, significantly lagging the progress being made in the English regions and Scotland. Swansea was one of the very early movers, but from 2006 to 2012 not a single BID was formed in Wales, and no meaningful feasibility work was undertaken other than in Merthyr Tydfil which delivered the second BID in late 2012. Explaining this phenomenon is beyond the remit of this report. Its commission arises from a variety of initiatives by Welsh Government to determine what measures are needed to support the economic, social and environmental regeneration of Welsh towns and cities. Its publication coincides with the announcement of funding being made available to support the formation of more BIDs in Wales. And this will do much to change the current position. Martin Blackwell, CEO of ATCM, says there are interesting parallels in BID development between Wales and Ireland. Ireland has only two BIDs and there was a similar gap between their formation. This can be explained, he says, by the “indifference of government”. Where government has been more interventionist progress in growing the number of BIDs has been much more rapid. Martin cites the example of the ATCM/ODPM pilots and the Academy approaches in East of England and East Midlands. Similarly Julie Grail, CEO of British BIDs, points to the success of London in creating so many BIDs in such a short time, with only one negative result at ballot. She attributes this largely to the way that a Learning Network approach, funded through the London Development Agency unfolded. This was able to provide advice on the fundamentals through web based tool-kits and promote continuous quality improvement through allowing BIDs a forum to raise problems and promulgate good practice.

How does this experience sit with the essential characteristics of a BID that it should be business led and place specific? Both Julie and Martin agree that this needs to be acknowledged in the way that any Academy or Network operates. When the support of central government is withdrawn, agencies of this type need a strategy which sustains them through member contributions. The ATCM's UK BIDs and British BIDs are pursuing this route. The situation in Scotland where UK BIDs and British BIDs both have members is further complicated by the role of Scottish BIDs. This agency has been directly funded by Scottish Government. Both Martin and Julie were of the opinion that its modus operandi was somewhat different and it is harder to see the purpose or practicality of longer term sustainability for such an agency.

Our conclusion is that the next phase of BID development in Wales will be strengthened through ease of access to the skills, experience and technical wherewithal required to establish and develop BIDs. This could take a number of organisational forms. There would almost certainly be a case for Welsh Government funding support. This would be justified through cost savings achieved by knowledge sharing and making generally available, partly through web-based means, the tools and documentation required by nascent and fledgling BIDs. In the longer term tapping into national support resources, probably with a Welsh dimension and perspective would be the way to proceed. The eight years since the passing of the legislation in the UK has seen an extraordinary flourishing of BID development. It is now internationally acknowledged that BIDs here are industry leaders in many aspects of the place management agenda, more than capable of holding their own in comparison with those in North America, South Africa and elsewhere.

This is all the more commendable as this development has come against a backdrop of an economic recession that has had a severe effect on the high street. In this respect Swansea had suffered more than most, and its relative performance has seen it slip down the FOCUS, CACI, and Goad retail standings. In respect of the number of vacant premises the gap has widened with Swansea c 9% over the UK average by 2011.

For the most part it is really too early to assess what contribution the BID is making to Merthyr Tydfil. But Swansea to its credit has been active from the very start of BIDs in the UK. There is no agreed or trusted way to distinguish what the position would have been in the city centre had the BID not been

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17 See Appendix 6
18 The London Development Agency ceased to exist on 31st March 2012 with its role being transferred to the Greater London Authority.
in existence. We asked researchers at Cardiff University to analyse this counterfactual position. Their work was similarly constrained by the lack of empirical data. But through scrutinising the output from our attitudinal surveying, and applying the methodology adopted in comparable circumstances in exercises conducted by ODPM and English Partnerships, their conclusion was that an appreciable difference was detectable.

BIDs are multi-faceted and nuanced. They can exhibit far reaching initiatives, but also progress is achieved through more modest increments. It would be wrong to focus on big wins and ignore the continuous efforts to promote and present the centre in the optimal way. This report above highlights the range of good practice from Swansea BID including:

- Very credible performance at two ballots, winning business support and with good majorities
- Focusing on, and Implementing effective responses to the key city centre issues – cleansing, safety and accessibility
- Designing and developing imaginative solutions to particular problems, such as the Taxi Marshal scheme
- Developing the conditions for innovation – illustrated by the way in which working groups have drawn on local skills around the public art and app projects
- The level of engagement fostered from the centre’s independent businesses, such an important sector in the efforts to differentiate Swansea from anytown

Hence it is from a strong foundation that Swansea BID can continue to improve around the following areas:-

- Improving performance management – understanding better the impact of projects and services, and measuring results will lead to more efficient investment decisions
- Strengthening the move towards a more strategic role – by getting the resources and structure in place to do so, and by collecting better intelligence on the functioning of the centre
- Solidifying existing partnerships – informally through better relationships and representation, and formally through written agreements and guidelines
- And finally utilising that new framework to identify and access many more match funding opportunities, in order that more investment is drawn into the city.

As has been documented BIDs have already realised substantial investment into town and city centres, business parks and industrial estates. The vast majority of settings that have considered and balloted on establishing a BID have proceeded. But getting to that stage can be complicated and take longer than many imagine – often eighteen months. The complexity and resources required to successfully establish and run a BID are also often underestimated and misunderstood. Below we have identified a number of key lessons, through from initial development to implementation of a BID programme:

- Business Leadership – a BID is reliant on a ‘core’ group of members to test its feasibility, act as local advocates and then democratically to test a proposition
  - The BID’s core group:
    - Identifies, recruits and convinces other local advocates. In both Swansea and Merthyr Tydfil an excellent group of business leaders, evidently excited by the BID concept, have invested significant time and effort into developing provision
    - Develops a programme that is responsive to the needs of the BID’s membership
    - Evidences clear value for money in the BID proposition. The three ballots so far in Wales have been resounding successes
  - The Local Authority:
    - Is both a source of support and a statutory consultee
    - Ensures that the BID proposal is congruent with council policies and that officers are aware of the level of support expected from them.

The most significant case of where council and BID strategic aims are not closely aligned was in the Swansea parking subsidy. Swansea BID has the strong support of its membership in running the parking subsidy, but the council feels it runs counter to what it is trying to achieve.
The relationship between council town and city centre management provision and a BID needs to be carefully thought through and stated in a documentary form such as a Memorandum of Understanding. This would then need to be regularly reviewed as practice develops.

- Other stakeholders:
  - Police in particular are a key partner for many BIDs and should be involved from the outset

- Processes and procedures
  - Test the feasibility of a BID – determine the issues and opportunities, undertake spatial profiling and financial modelling (such as The means’ BID Feasibility Matrix)
  - Campaign, and marketing – the requirement for a ballot at least every five years means that BIDs need to be very effective communicators with their membership. The results in Merthyr and Swansea were credible.
  - Ballot procedures – BIDs must understand the legal and legislative processes as well as limitations and liabilities.
  - It would be helpful if Government ruled on whether better information could be shared with BIDS during the ballot process itself. The objective must be that the ballot is conducted fairly and in secret, but it is also highly desirable that every party is given the best opportunity to participate, something the current rules, or at least their interpretation don’t always foster

- Resources / funding
  - Most BIDs have been reliant on sources of funding – particularly from the public sector – to acquire the expertise for the early phases of development, including feasibility, planning and campaign management. This has been a feature for the two BIDs in Wales.
  - Financial modelling – identifying not simply what programme is required but also what programme is affordable.
  - Voluntary contributions – as indicated elsewhere partners, land owners, businesses not liable to pay the BID Levy can be essential sources of additional funding
  - Levering in match funding – this has resulted in very high rates of return in some parts of the country. That it has not featured as highly to date in the Swansea BID simply indicates the programme priorities to date. However this is an area for potential development.

- Advice and advocacy – procuring a level of expertise to support the development and running of a BID is an important component in its success

- Timescales – from inception to ballot may take eighteen months or more:
  - Development can be phased and tested at each stage – feasibility, planning, campaign / marketing
  - A start-up phase may be implemented between the successful BID ballot and the official ‘live’ date
  - BIDs are limited to ‘terms’ of no more than five years and are expected to ballot their membership to operate for further terms.

- Programme – the list of projects and services that potentially could be included in a BID programme is a very long one. The key consideration in getting the right mix of projects and services is reaching an understanding of nature of challenges confronting the centre and the priorities that the businesses affected accord to each. This is quite an undertaking given the scale and spread of issues, and the differing views that will be prevalent in a constituency numbering hundreds of very different entities.
  - Successful BIDs are continually innovating and trialling new products and services
  - And they are regularly reviewing those initiatives and their longer running services to ensure that the desired impact is being achieved and they continue to win the approval of their members
  - Another challenge is evidencing additionality to the members – not only is a service / project needed to enhance the centre’s performance but it is entirely appropriate for the BID to develop and deliver that as opposed to another agency
  - In Swansea BID, awareness of its involvement in funding extra police officers is harder to promote than services which are more clearly delivered by the BID itself
Governance and accountability – BIDs are often formed as companies limited by guarantee or similar, with a board of directors put together to reflect the different BID constituencies (e.g. retail, office, night time economy etc.). Getting the right blend of talent, local understanding and representation from different sectors and parts of the town is a constant challenge.

- The mechanism for determining and delivering the programme needs to be fit for purpose, efficient and effective, and exhibit the appropriate levels of probity and accountability.
- Partnership building is an ongoing activity, ensuring that the board’s capacity is developed and an appropriate framework for good corporate governance is applied. This is usually manifested by the adoption of a set of policies governing decision making, financial management and procurement.
- Through sub-groups and working parties a high proportion of a BID’s member businesses can participate in the governance process. Swansea BID exhibits good examples of this in the way that specialist companies have assisted in its initiatives aimed at reducing the number and impact of voids.

Evaluating success

- Monitoring and evaluation can be used to greater effect to evidence the contribution that BIDs are making to their local area. This involves the early designation of Key Performance Indicators (KPIs) and the gathering of relevant external data (e.g. crime statistics). Ideally a baseline position should be established at the outset, in order that the performance of the BID can be measured as accurately as possible.
- There isn’t a BID in the UK that is completely satisfied with its evaluation and monitoring arrangements. As the need to evidence impact grows each BID will need to improve performance in this respect.
5. Recommendations

In 2011 The means undertook a sample comparison of Scottish locations progressing BID proposals to their counterparts (in population size only) in Wales. The contrast of uptake in BIDs between Scotland and Wales, as well as the growth of BIDs in secondary retail locations in England, indicates that scale of settlement does not explain the difference in take-up. So, what are the barriers and what potential approaches could the Welsh Government in partnership with others adopt to support further BID development across Wales?

We have identified three fields of activity to aid the further BID development in Wales:

- **Raising awareness and support**
  - Martin Blackwell identifies the “indifference of government” as one of the things that has held back BID development in Wales and Ireland. This should be addressed through the promotion of a debate at Ministerial level, senior level within local authorities, and with policy makers.
  - This awareness raising strategy will need to fully embrace the private sector from the outset. Any dissemination programme should be designed around optimising businesses engagement, and council involvement should be predicated on their willingness and success in attracting private sector partners.
  - Alongside these more targeted efforts there is a case for a broader publicity campaign to increase interest amongst the general population who are increasingly interested in the plight of our town and city centres.

- **Provision of advice and training**
  - Wales, like Scotland, could benefit from a BID support agency (initially supported from Government funding) that campaigns for the establishment of BIDs and assists both new and fledgling BIDs along the learning curve from development to delivery.
  - Peer-to-peer learning – as the interest and number of BIDs increase in Wales so will the opportunity to exchange knowledge. This is already happening to some extent through the ATCM’s network in Wales. Swansea BID is also part of British BIDs. There is a case for Welsh Government support of the network for, say, the first two years, until the number of BIDs can decide whether there is sufficient value in the network to sustain it.
  - Learning resources – the provision of supporting documentation in a print and digital form would assist in accelerating development of BIDs. There is a suite of documentation that is common amongst BIDs, and if there were centrally available it would aid efficiency.
  - The growth of BIDs should also be seen as a means to reinforce the messages in *Vibrant and Viable Places*. The more fundamental involvement of the private sector, the increase in the levels of resources, and the longer planning horizons that BIDs bring present an opportunity for a more strategic and concerted effort to arrest decline and boost vitality.

- **Availability of targeted seed funding**
  - BIDs are self-funding once they start to receive their BID Levy contributions. Early phases of development – such as feasibility and campaign – rely upon funding from other sources. The Welsh Government has already announced funding of £200,000 as a revenue contribution towards the establishment of schemes to facilitate the development of BIDs in Wales. The detail of this funding programme now needs to be considered to ensure that it effectively supports fledgling BIDs. Authorities in England have experimented with grant and loan schemes – the former to date proving the more successful.
  - BIDs are essentially business-led organisations and one of the benefits that they deliver is a commercial assessment and prescription for measures to improve our town and city centre, business parks and industrial estates. Government should hesitate from the temptation to over regulate in such circumstances, and run the risk of negating that effect or diminishing enthusiasm. However where government (local or national) is investing alongside BIDs then it has the right, even the duty, to be clear about its requirements.
The likelihood is that new BIDs will begin as either unincorporated associations or some form of Town Centre Management mechanism. In these cases Government will mostly use councils as grant recipients. Welsh Government should use the opportunity of the grant process to raise expectations of the ambition of BIDs, their strategic roles and the quality of their performance monitoring capabilities. The availability of BID development funding and/or the prospect of gaining or influencing regeneration funding further down the line will have the effect of galvanising private sector interest in BIDs.

In addition to these ten recommendations across the three fields of activity, Welsh Government could usefully examine the following:

- How could the system of administering ballots be standardised across Wales in a way which optimised ballot turnout and reinforced the legitimacy of mandates?
- What would a system of continuous improvement look like in a Welsh BID context?
- How could residents and third sector organisations relate to best effect with BIDs, possibly referencing the experience of the so-called Town Teams in England?
- What could be done to secure and harness the active support of landlords and landowners within those areas which pursue BID status?
The means: to change places for the better.

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Swyddfa Cymru

Unit 3, West End Yard, 21-25 West End, Llanelli, Sir Gâr / Carmarthenshire, SA15 3DN

London Office

81 Southwark Street, London, SE1 0HX

Phone / Ffôn: +44 (0)20 7261 1010

Phone / Ffôn: +44 (0)1554 780170