

# MAYOR OF LONDON

**Gareth Bacon AM**

Chairman of the Regeneration Committee  
City Hall  
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London SE1 2AA

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**Date:** 07 APR 2016

Dear Gareth

Thank you for your letter of 25 February with the attached report *Business Improvement Districts – The role of BID's in London's regeneration*.

London Business Improvement Districts (BIDs) have played a crucial part in the last four years of my Mayoralty. To ensure that BIDs were at the centre of my high street and regeneration policy, in my 2012 Manifesto I committed to support the formation of up to 50 BIDs.

With London Enterprise Panel funding (LEP) my officers developed the London BIDs programme which has committed £660,000 to: a) support the establishment of new BIDs; b) published a handbook on how to set up a BID and c) update a range of legal templates that BIDs and local authorities can use to cut expensive legal fees.

The programme has also helped to raise the profile of BIDs among those Local Authorities and businesses that have no BIDs in their area, it has established new partnerships and networks between BIDs, and most of all, at the end of February my target of 50 was successfully achieved.

Parallel to your research, my officers were commissioning a research on the role BIDs could be playing in a future municipality agenda. This research, which has now been published (<https://lep.london/publication/BIDsReport>), provides a range of recommendations which are closely aligned to your own ones.

The responses to your questions show how the Assembly, the LEP and my own thinking are closely aligned on the BIDs agenda.

**Recommendation 1: The next Mayor should encourage all BIDs in London to sign up to a set of principles governing BID management, by establishing a London Standard as a good practice code for BIDs. As part of this:**

- a) The Mayor should consult on adopting the principles set out in British BIDs' publication, *The Principles of Effective BIDs*.
- b) The Mayor should review and promote good practice for involving residents and non-business stakeholders in BID governance.
- c) Minimum turnout thresholds should be introduced when establishing a London BID, to incentivise more through outreach among the local business community.
- d) The next Mayor should promote landowner involvement in BIDs.

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- a) I support this recommendation. BIDs services should become more effective and efficient. My LEP BIDs report recommends that to achieve this objective the next Mayor updates the BIDs Handbook and includes a stronger guidance on governance. As London has three main BID membership organisations<sup>1</sup> and several consultancies that specialise on BIDs, the work of publishing a governance guidance will have to be procured through open and competitive process.
- b) Composition of BID boards varies very much across the capital. In some instances, there is a good mix of representatives and in other occasions it reflects levy payer businesses. I am a strong advocate of active citizenship democracy and it is clear that decisions adopted by BIDs also have an impact on non-levy payers.

My own LEP BIDs report recommends that BIDs should follow and share the principles of good governance, such as transparency, consistency and avoidance of conflicts of interest. The report also recommends that the Greater London Authority (GLA) convenes a group to share experiences and best practice of BIDs' engagement in Neighbourhood Planning.

Therefore, although in principle I do support the recommendation that residents and non-business stakeholders should be actively engaged in the governance of the BID, it is up to each BID Board to implement this recommendation.

- c) I agree with the principle that a minimum turnout threshold should be introduced; however a London Mayor has no power to implement this measure. But I will ask my officers to speak to DCLG officers to explore the possibility of including turnout thresholds in the outcome of the Government's BIDs review.
- d) As per my response above, I think it is important that BID Boards have a mix composition representing interest from all businesses in the BID area. Landowners should be one of those groups.

## **Recommendation 2: The next Mayor should continue to fund BIDs in the set-up phase where there is local business community demand for them, but the GLA should also use some funding to support a diversified offer to established BIDs.**

The last four years my team has been working closely with BIDs across the capital. A BIDs Steering group was set up which includes representatives from inner and outer London and had a mix of large and small BIDs. The group is chaired by Simon Pitkeathley who is also a member of the LEP SME working group. The BIDs Steering group has advised my officers on how best to set up the London BIDs fund and provided guidance on what type of support existing BIDs needed.

As a result of that advice my officers have:

1. Commissioned and published a range of legal templates that are used by BIDs and Local Authorities to provide support and guidance in the development and management of BIDs. The documents include: articles of association, baseline agreement, complementary service agreement and operating agreement.
2. Set up a separate group, following the recommendations of the BIDs, specifically to deal with the challenges faced by Industrial BIDs. This group, which is chaired by the Chair of London Riverside Industrial BID, includes the seven Industrial BIDs, but also those Local Authorities thinking of establishing BIDs. The group meets on regular basis and they have commissioned a research on the contribution that Industrial BIDs make

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<sup>1</sup> British BIDs, Association of Town Centre Managers and Cross River Partnership

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to the economy in their boroughs. The research will also short list a range of Industrial Estates that could be supported by the next Mayor to develop a BID. The report will be finalised in the autumn.

The LEP BIDs report coincides with your recommendation and suggests that GLA 'continue to offer start-up grants and prioritise BIDs in boroughs without a BID and /or areas which would clearly benefit from one.' The report also recommends that GLA develops and implements a range of actions that will support, financially and non-financially, the development of existing BIDs.

Providing that new funding is identified, it will be up to the new Mayor to continue with the London BIDs grant programme.

**Recommendation 3: In areas with limited capacity to support BIDs, the next Mayor should investigate options for providing a coaching mechanism to enable emerging BIDs to receive support from established BIDs.**

My BIDs programme published the BIDs handbook for those emerging partnerships that are in the process of setting up a new BID. The handbook has been very welcomed, particularly by those organisations that have limited experience of developing BIDs. My own BIDs report also recommends that BIDs should 'set up a piggybacking and mentoring relationship between established and new BIDs'.

I will ask my officers to explore this recommendation and, assuming the next Mayor wants to continue its support to BIDs, identify the best way of implementing a system where BIDs are able to mentor each other.

**Recommendation 4: The next Mayor should commit to strengthening links between London's BIDs and the LEP. The SME Working Group should also examine options to expand BIDs' eligibility to bid as delivery partners for more LEP and GLA funding programmes.**

The BIDs agenda has been a key part of the work the LEP SME working group has developed during my Mayoralty. The group has been actively involved in a range of BID activities. In particular, Simon Pitkeathley, CEO of Camden Town BID, who is also a member of the LEP SME working group. He has been a conduit between the work of the LEP and BIDs and has made sure that both groups were informed of what each other was doing.

Should the next Mayor want to continue supporting BIDs, GLA officers will be able to make recommendations on how best to ensure links between the LEP and BIDs can be strengthened. In conclusion, I support your Committee's recommendation and I will make sure my officials combine them with those identified in my own LEP BIDs research. These should serve as the basis for GLA officials to brief the next Mayor and to ensure BIDs are kept at the forefront of the High Streets and Regeneration agendas.

Yours ever,



**Boris Johnson**  
Mayor of London