



Setting up the BID partnership

Involving property owners

Why property owners are not formally involved in BIDs

At present property owners do not pay the BID levy, unless they are owner/occupiers or the property is vacant. The UK property taxation system is set up to charge the occupier rather than the owner; the BID levy in England is raised as an additional charge on top of the national non-domestic business rate (NNDR).

The Circle Initiative lobbied strenuously when the BID legislation was being drafted to have the levy charged to property owners in addition to occupiers. Circle also commissioned Jones Lang La Salle to produce the [BID levy apportionment model](#) to identify how the BID levy could be split fairly between the occupier and the owner; and the relative values of the owner interests. This lobbying work was unsuccessful because it was considered too expensive to develop a new form of taxation for a relatively small initiative and it would have delayed legislation by several years. However, the ODPM have commissioned consultants to research the role of property owners in BIDs. Their final report is due in 2007.

In contrast the Scottish Parliament has accepted recommendations to consider legislation which will give BIDs the flexibility to decide if they will charge property owners or occupiers. This is not likely to be implemented until 2007 at the earliest.

Why property owners should be involved

In many ways property owners have the most to gain from BIDs because if an area improves rents are likely to increase and they will see an increased return on their investment. However, property owners may have very different agendas from occupiers, particularly in relation to redevelopment, and their relationships can be antagonistic making it harder to establish a common vision.

How property owners can participate

It can be difficult to find out exactly who owns property in an area as there is no equivalent of the property occupiers ratings list detailing land owners. Land Registry records can be accessed to track down the legally registered owner but it much more difficult to get a contact name and telephone number (see <http://www.landreg.gov.uk> for more information). The easiest a route to establish the landowner may be via the current occupiers. Many small businesses may be owner occupiers.

Once identified, property owners can participate in establishing the BID partnership through a variety of means.

Financial contributions

The ODPM BID guidance specifically recommend that property owners are involved in a BID via voluntary contributions. Voluntary contributions from property owners can be a particularly important source of funding in the early stages of establishing a BID.



Time and in-kind support

Property owners can provide valuable time input to the BID partnership attending events and acting as BID champions. They can also provide in-kind support like free or reduced rate accommodation, and access to specialist resources and skills like tender evaluation (see [Better Bankside experience](#) below)

Board membership

The experience from Circle suggests that property owners have a particularly important part to play as members and even Chairs of BID partnerships in the start up phase. They bring valuable skills, knowledge (particularly of policy making, licensing, planning issues), connections and experience. As a result property owners can play a key role in capacity building within the Board and in establishing the strategic direction of the BID partnership. (see [step 8, Establishing the BID company](#))

The Experience from Circle

The Circle partnerships obtained varying levels of support from property owners during their start up phase and Heart of London was particularly successful in this respect.

Partnership	Property Owners contributing to establishing the BID partnership	Financial Contribution
Better Bankside	Chelsfield Land Securities	Contributions to Bankside Business Partnership which provided match funding for some Better Bankside projects
The Holborn Partnership	Land Securities Prudential Property Investment Managers Ltd (owner occupiers) TGWU (owner occupiers) Bee Bee	Annual £30,000
Heart of London	Burford Group British Land Plc Land Securities Plc McAlear & Rushe Ltd Old Park Lane Management Delfont Mackintosh Theatres Ltd (board observer) Prudential Property Investment Managers Ltd Odeon Cinemas The Crown Estate (board observer) CLS Holdings Plc Gascoyne Holdings Ambassador Theatre Group	Annual £345,000
Paddington	Land Securities (landowner is ratepayer) PWP Hilton London Metropole Hilton London Paddington St Mary's NHS Trust	Annual 102,000
Waterloo Quarter	Woollard Smith (owner occupier)	In-kind support – Executive Chair



Better Bankside property owners showed considerable commitment to the BID pilot. They provided accommodation free of charge and were the most reliable attendees at Board meetings. The Chair and Chairs of sub-committees were property owners and they were the largest contributors of SRB match funding through Bankside Business Partnership. They also provided considerable in-kind contributions. Land Securities handled the tender evaluation on cleaning services for the pilot, based on their experience in handling contracts of this kind. The Tate provided venues for events and Board meetings.

Heart of London was originally established by property owners, when it was thought that the BID enabling legislation would charge property owners rather than occupiers. The property owners match funded the SRB programme and funded a bigger staff budget than SRB alone would have allowed. The local authority took the pilot more seriously because the major decision makers for the buildings were involved, demonstrating a long-term commitment to improving the commercial viability of the area.

The Chairman visited BIDs in the USA before the programme started and realised the model could be appropriate for the area and became a passionate advocate. The Board identified all the major property owners in the area and invited them onto the Board with a view to getting all property owners signed up to a vision for the area.

The Holborn Partnership found big organisations, like Land Securities, saw the wider picture and wanted to be involved, however, there were lots of small property owners in the area, many of whom were based abroad, making them very difficult to contact and involve. Holborn only received voluntary contributions from one owner, two owner occupiers and in-kind contributions from one developer in the early stages. They used the property owners to inform people rather than drive the BID. However, when working to tackle safety issues by improving back streets and doorways, closer links with the property owners would have helped.

Paddington BID promoters, PWP, contributed each year from 2001, through both cash and in kind support. Its individual members, such as Hilton, West End Quay, St Mary's and Land Securities also carried out capital works which added value to the work of the pilot BID. In the year of the ballot PWP contributed more than £20,000 cash, meeting a variety of campaign and legal costs. Within the BID area there are a large number of owner/occupiers, who pay the BID levy in the normal way. Voluntary contributions tend to come largely from occupiers adjacent to the BID area, rather than the smaller property owners within the BID area.

Waterloo Quarter There are significant property owners in the area who have been involved with the activities of the BID, although no formal financial contributions to its operation have been made. Spacia, an operational division of Network Rail have been Board members from an early stage. The other three Eurostar, Breanstar and Bourne Capital have been involved contributing financially to specific Waterloo Quarter promoted public realm projects adjacent to properties they owned. Eurostar put money towards cleaning Leake Street. Breanstar paid the initial design costs for a gateway at Pear Place. Bourne Capital contributed to the cost of, and now maintain the lights in Emma Cons Gardens.



The Circle Initiative: Thirty nine steps to developing a Business Improvement District

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