

Setting up the BID partnership

Cost of setting up the BID partnership

The Circle Initiative had the benefit of significant Single Regeneration Budget funding (through the London Development Agency) which was invested in establishing the Circle BID partnerships and testing the potential of the BIDs concept in London. The level of funding enabled the partnerships to work as if they were already receiving a significant 'levy' income, giving them the opportunity to pilot numerous projects and activities with an appropriate staff team. This enabled them to test and learn the most appropriate way a BID could work in their area, and in this country.

Future BIDs are unlikely to have the same level of public funding or to run as pilots for as long as The Circle partnerships, so the experience from Circle has been analysed to establish three levels of set up costs that cover a period of eighteen months.

- **Basic start up costs** – based on one full time member of staff
- **Medium start up costs** – based on one full time, and other part-time members of staff
- **Higher start up costs** – based on a small team of full time staff

Prospective BIDs should bear in mind that this information is based on experience from London where salary and property costs are higher, and factor these elements in accordingly.

In some partnerships there will already be an existing paid person who can take on the role of establishing the partnership and costs can be dramatically reduced. Similarly, an accountant or solicitor who is a member of the partnership may be willing to take on elements of the company management work on a pro bono or discounted basis.

If a member of staff has to be recruited and paid, then the partnership could look to businesses in their area to support the potential BID by giving a voluntary contribution of funding.

With BIDS still in their early stages of introduction to England there are no known national funding opportunities that potential BIDs can access for these initial costs. However, potential sources of funding available to BIDs are examined in [step 9, funding the start up phase](#).

It is important to note that the costs discussed below are just for the 18 month start-up phase, and the next phase, the 6-month campaign and ballot period, needs a separate budget ([step 15, cost of getting to the ballot](#)).

Basic start-up costs

The experience from Circle suggests the basic start-up costs that are likely to be incurred are in the region of £75,000 (index for inflation from 2004) for the 18 months. An indicative breakdown for this budget could be as follows:

£58,500	One member of staff (salary and NI @12%)
£5,500	Company management including memorandum and articles of association, insurance, company secretary and accountant
£7,500	Office overheads – rent (desk in shared office space) and equipment
£3,500	Corporate identity, stationery and marketing materials



Medium start-up costs

Where funding allows, prospective BIDs should also consider making provision in their budgets for events and marketing activities and delivering some demonstration projects to show the benefits a BID could bring to the area. [Step 12, demonstration projects](#) gives advice on projects that are appropriate for the start up phase. Demonstration projects should be delivered during the later stages (last six months) of the start up phase and additional staffing resource may be required to deliver these projects.

This approach would require a budget in the region of £140,000 during the 18 month start up phase (index for inflation from 2004). If partnerships believe they can move at a faster rate the budget can be reduced.

Where these additional activities are to be undertaken an indicative budget breakdown would be as follows:

£72,000	Staff team (Full time member of staff with part time assistance salary & NI @ 12%)
£7,500	Company management including memorandum and articles of association, insurance, company secretary and accountant
£9,500	Office overheads – rent (2 desks in shared office space) and equipment
£6,000	Corporate identity, stationery and marketing materials
£35,000	Demonstration projects
£10,000	Events and marketing

Higher start-up costs

With more funding a partnership can recruit a full staff team enabling more time and effort to be focused on the local business requirements and a larger range of demonstration projects to be implemented.

This would require a budget in the region of £200,000 during the start up phase (index for inflation from 2004) for the 18 month period.

Where these additional resources are available an indicative budget breakdown would be as follows:

£105,500	Staff team (Two full time members of staff with additional part-time assistance – salaries and NI @ 12%)
£8,500	Company management including memorandum and articles of association, insurance, company secretary and accountant
£11,500	Office overheads rents, rates (low rental accommodation with 4 desks, provided by partnership member) and equipment
£7,000	Corporate identity, stationery and marketing materials
£50,000	Demonstration projects
£17,500	Events and marketing



Demonstration projects

The budgets of £35,000 (medium costs) and £50,000 (higher costs) would enable the partnership to undertake some limited activity to promote the potential of the BID. These projects are “tasters” to show the local business community the benefits a BID would bring. Projects could include greening (hanging baskets, etc.), promotion (maps of the area highlighting the attractions etc), and limited cleaning projects like graffiti removal. £35,000-£50,000 will be sufficient to provide a good range of demonstration projects, and the partnerships should look to see if other organisations would part fund the projects, such as a local authority contributing to the cost of hanging baskets ([step 12, demonstration projects](#)).

Events and Marketing

The budget would allow for a website to be created, which could be used not only to promote the partnership but also the businesses in the area. Events could include regular business networking meetings, special promotional events for the partnership (such as a launch of the partnership; newsletters; marketing for specific areas or sectors (e.g. food festival for a month promoting restaurants in the area), [see step 4, Engaging the business community](#) for more details.

Experience from The Circle Initiative

Budgets

The Circle partnership's start up costs were much higher than those outlined above because the programme was designed to enable them to recruit staff to operate as if they were up and running as a BID. This meant that larger scale projects could be commenced rather than just demonstration projects. Each of the Circle pilot partnerships set different budgets based on the scale of the work they were aiming to achieve, the staff expertise and team needed, and the level of additional funding levered in.

Basic start-up costs

Waterloo Quarter Business Alliance operated with one full time member of staff supported by part time consultancy help. In the later stages, just prior to the ballot period, an additional full time member of staff was recruited and the part-time consultant increased their time spent at the BID from 3 to 4 days per week. WQBA was able to rent desk space within a local organisation's offices, and the Executive Chair and some Board members provided services on a pro bono basis.

Medium start-up costs

Better Bankside operated only with part time consultancy staff, with a full time administration staff member being recruited in the latter stages of establishing the partnership. Accommodation was provided by property owners at no cost with a small service fee charged each quarter.



Paddington BID used the services of Paddington Waterside Partnership, whose staff gave various agreed amounts of time to the set up phase. Paddington Waterside Partnership themselves funded a third of these set up staffing costs.

Higher start-up costs

The Holborn Partnership was an established business partnership that was already receiving voluntary contributions from its membership. This funding allowed a staff team to be in place from early in the set up phase. Accommodation was provided initially by a member and latterly by the MET Police.

Heart of London received voluntary funding contributions from three property owners and this paid for the staff team. Accommodation was also provided by one of the property owners.

