



INSTRUMENT NAME: 1.2 BUSINESS IMPROVEMENT DISTRICTS

Pondscape-specific definition: Business improvement districts are non-governmental initiatives where a set of stakeholders (business, citizens, organisations) enter an agreement with local government to contribute an additional levy to finance improvements in a specific geographic area. The business improvement district then establishes an independent management structure and manages the spending of the levy to achieve its pre-agreed goals. The business improvement district has to be voted on and approved by the affected businesses (or landowners) in the areas. Once approved, the levy is binding on all landowners in the area. Business improvement districts are time-limited (e.g. in the UK to a maximum of five years). Funded improvements can include implementation of NBS.

CATEGORY	Income instruments			
ALSO-KNOWN-AS				
RELATED INSTRUMENTS	Voluntary beneficiary contributions; Betterment levies; Developer contributions and charges			
APPROPRIATE FOR: Who can use this type of financing instrument?	Pondscape developer	NGOs and non-profits	Local/city/regional govt. and agencies	National govt. and public agencies
SOURCE OF FINANCE: Who provides the finance?	Business owners in the affected areas (i.e. commercial property occupants). Sometimes BIDs target property owners, instead of occupants.			
PAYMENT FORM: What form is the payment?	Levy, tax on the rateable value of property within the area. In the UK, commonly a fee of 1-2%.			
IN RETURN FOR WHAT? What is the NBS project obliged to deliver in return?	The business improvement district must deliver on their business improvement proposal ¹ . Generally, this promises to support the local business area, e.g., by increasing foot traffic, promoting the area, decreasing costs (e.g. crime). These could include NBS implementation.			
RECIPIENT REQUIREMENTS: What requirements must recipients meet to receive finance?	The business improvement district, once approved, must establish its own independent management structure to manage the levy. Most BIDs are established as non-profit organisations of stakeholders (companies and citizens), but they can also take other forms. Business Improvement Districts are commonly initially facilitated by local government but are managed independently.			
PROJECT REQUIREMENTS: What requirements must the pondscape project meet?	The business improvement proposal must be sufficiently attractive for a majority of businesses to vote for an additional levy.			
OTHER REQUIREMENTS: What additional requirements are attached to the financing?	BIDs are less effective in areas which are spread out or have mixed land use as it is more difficult for the payer to capture the benefits of targeted improvements.			
SPEED: How quickly do recipients receive money?	Fast (<4months) – Medium(5-12months) – Slow (12months+)			
FUNDING TIMELINE: When does the recipient receive the funding?	Ongoing for limited time: Business improvement district levies are generally paid annually, once established, until end of BID lifetime (max. 5 years).			

¹ This proposal must be prepared by the business improvement district as part of the initial establishment, which outline what the levy would be and for what it would be used. This proposal then voted on in a ballot by those who would be affected (and must pay) the business improvement district.





NBS TYPE: What types of NBS is the financing for?	Pondscape <u>creation</u>		Pondscape <u>restoration</u>		Pondscape <u>management</u>	
SCALES: What scale of financing?	Small (<€10k)	Medium (€10k-€99k)	Large (€100k-€999k)	Very large (€1million+)		
COMPLEXITY: How complex is applying for the finance	Simple		Medium		Complex	
EXIST NOW IN EU?	Yes			No		
REFERENCES:	Sandford, M. (2018) Business Improvement Districts. Briefing Paper 04591. House of Commons, London. Available at: http://researchbriefings.files.parliament.uk/documents/SN04591/SN04591.pdf					





Instrument: 1.2 Business improvement district example

Example name: 1.2.1 Vauxhall Missing Link

Example description: The Vauxhall Missing Link is an urban green space, which is said to improve the local business environment. Local businesses pay, own, and manage the green infrastructure collectively through the business improvement district Vauxhall ONE, to which they must pay a yearly fee.

NBS DESCRIPTION	
LOCATION	London, UK
NBS TYPE	Creation Management Creation
ECOSYSTEM TYPE	Green infrastructure
NBS BENEFITS	Habitats for insects and plants; Recreation and well-being; Flood management; Air quality
NBS DESCRIPTION	The Vauxhall Missing Link connects existing green spaces through a pedestrian- and bicycle friendly installation of rain gardens (incl. 22 planted species), which improve water drainage and air quality, while attracting customers of local businesses and providing outside seating for gastronomy.
SCALE (SIZE)	400m2
NBS PERFORMANCE CRITERIA	The objective is to improve the public realm and connect existing green spaces (Nine Elms, Vauxhall Park, Vauxhall Pleasure Gardens, South Bank).
NBS PERFORMANCE	As a winner of the award 'Adding Value in the Public Realm,' the project is said to have created a better business environment for local enterprises, a calmer and more attractive neighbourhood, and new jobs in horticulture.
FINANCING DESCRIPTION	
SOURCE OF FINANCING	Private local businesses
RECIPIENT	Vauxhall ONE Business Improvement District
SCALE (FINANCING)	£260,000
TIMELINE	Ongoing. Businesses are required to contribute on a yearly basis to the BID
FINANCING REQUIREMENTS	The project design had to demonstrate that the project would make the district more attractive for local businesses and their customer target groups.
FINANCING PERFORMANCE	The renewal proposal for the years 2022-2027 plans with a BID levy charge of "1.56% of the rateable value of each hereditament listed in the Ratings List [...] The BID levy rate will be amended on an annual basis in line with inflation, at a rate to be agreed by the Vauxhall One board, and not exceeding the national Retail Price Index." The levy amounts to roughly 1million£ per year, with a surplus of 17,290£ and 147.127£ for the years 2018 and 2019, respectively. Costs comprise NBS but also other activities, such as security and cleaning measures, events, etc.
TRANSACTION COSTS	Administrative expenses of the BID activities were 330.062£ and 314.282£ for years 2018 and 2019, respectively.
REFERENCE	Cross River Partnership (2016) Green Capital - Green Infrastructure for a future city. Available here: https://www.london.gov.uk/what-we-do/environment/parks-green-spaces-and-biodiversity/urban-greening/green-capital-green Carbon Accountancy Limited (2020) Vauxhall One – Annual Reports and Financial Statements for the Year Ended 31 March 2019. Available at: https://vauxhallone.co.uk/uploads

