



# EASTERN BIDS NETWORK

## Supporting Local Growth Inquiry Response

By the Eastern BIDs Network for the Public Accounts Committee  
February 2022





## About the Eastern BID Network

The Eastern BIDs Network is a consortium of 19 Business Improvement Districts (BIDs) across 5 counties in the East of England; including town, city, coastal and industrial destinations.<sup>1</sup>

This includes:

- Huntingdon First
- Cambridge BID
- One Chelmsford
- Our Colchester
- Felixstowe BID
- Great Yarmouth BID
- Ipswich Central
- Discover King's Lynn
- Love Newmarket
- Lowestoft Vision
- My Milton Keynes BID
- Norwich BID
- Haverhill BID – Developing
- Our Bury St. Edmunds
- Peterborough Positive
- Saffron Walden BID
- Southend BID
- Visit Great Yarmouth
- Witham Industrial Watch

We work together to give the region a united voice for business, to attract new investment, to promote the region and to achieve shared strategic goals.

Together we represent 7,875 businesses and investing £7.73 million of levy annually.

The Eastern BIDs Network is chaired by Stefan Gurney, CEO of Norwich BID (stefan@norwichbid.co.uk).

---

<sup>1</sup> Eastern BIDs Network: [www.easternbids.com](http://www.easternbids.com)



## Background

We welcome the opportunity to respond to the critical issue of investing in local growth with the Public Accounts Committee. We at a time of great change in terms of our economy and society with the impact of the pandemic still front of mind. With the publication of the Levelling Up White Paper, it is the right time to ensure that money committed for local growth is used wisely, building on both the successes and failures of the past.

As a coalition of not-for-profit organisations which are dedicated to supporting businesses co-located in commercial destinations, the effectiveness of various funds will dictate whether these destinations will thrive or decline over the coming years.

### 1. Why Local Growth Matters in the 21<sup>st</sup> Century

There are a number of issues which dominate the economy of our core towns and cities. However, two are pertinent and universal in terms of impact, and need to be flagged up to understand the context for investment in local growth going forward.

#### 1.1 Mitigation and Adaptation for the Urban Economy

However bad the predictions are for climate change in general, the impact is likely to be worse in towns and cities.

The urban environment amplifies aspects of extreme weather events. Heat waves are more severe as impermeable surfaces trap heat. These same impermeable surfaces also trap water, increasing the risk of flooding from heavy precipitation events and sea level rise in coastal towns and cities. This puts significant parts of our economy and infrastructure at risk. This, in turn, threatens business continuity.

However, urban areas are not just the victims of climate change, they are also one of the biggest perpetrators. They account for between 71% and 76% of CO<sub>2</sub> emissions from global final energy use<sup>2</sup>. The average global surface temperature is already in excess of 1.1°C above pre-industrial levels. The 1.5°C milestone feared by climate scientists could be surpassed as soon as the end of this decade if greenhouse gas emissions persist at current levels.

This means two things for our towns and cities. Not only do they need to play a crucial role in avoiding the 1.5°C threshold, but they will also need fundamental

---

<sup>2</sup> IPCC, AR5 Climate Change 2014: Mitigation of Climate Change, Chapter 12 Human Settlements, Infrastructure and Spatial Planning



change to ensure they are resilient to the weather events produced as a result of the warmer climate. There needs to be a plan for building in mitigation measures to deliver a net zero economy, and adaptation measures to deliver a resilient economy in the face of extreme weather events at 1.5°C. It is no longer reasonable to discuss local growth without an understanding of climate change.

Mitigation and adaptation will take long-term investment. Infrastructure to support active travel, an urban EV charging network, retro-fitted energy efficient buildings, and permeable surfaces to name but a few things. It needs to happen quickly. And to meet our net zero commitments, no town or city can be left behind.

## 1.2 The Future of Work

The digital economy is transforming our local economies beyond recognition. Since the turn of the Century in particular, the rate of innovation and its impact on every industry is, at times, overwhelming, yet not fully appreciated in the context of the future of work.

It is with great urgency that this is understood by policymakers especially as COVID-19 has lit the blue touch paper when it comes to technological change. Funding for local growth must be configured to allow us to keep pace with an industrial revolution.

One significant change is the ability to work and trade without the need for face-to-face engagement. The implications for economic spatial planning are huge, including commercial space which meets 21<sup>st</sup> Century needs, where it should be located in relation to residential and adaptation of transport infrastructure.

For example, retail provides more employment than other industry in the private sector. However, its ability to provide employment is at the mercy of a ruthless, highly competitive and innovative marketplace at the forefront of changing consumer behaviour. Back in 2016, the British Retail Consortium predicted that this structural shift would see up to 900,000 fewer jobs by 2025 across the sector in the UK, although the jobs that remain will be better paid due to a recalibration towards logistics.<sup>3</sup> Whilst trends in the independent sector are harder to quantify the rate of store closures amongst multiples appears to bear this out. Research from PwC and the Local Data Company suggests net closures of approximately 20,000 multiple stores during 2020 and 2021.<sup>4</sup>

---

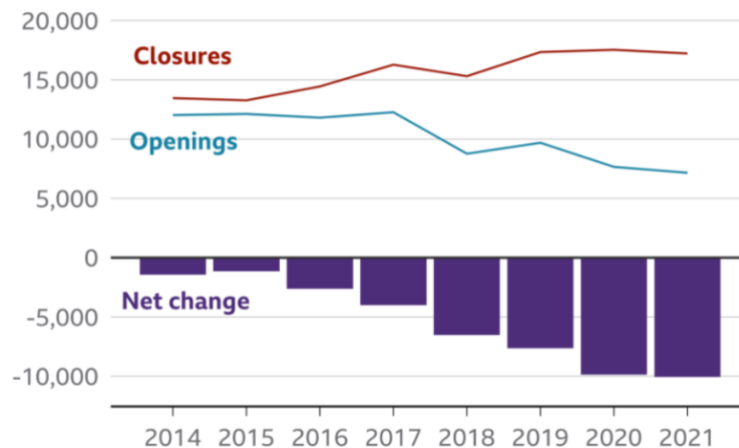
<sup>3</sup> British Retail Consortium: Fewer But Better Jobs [https://brc.org.uk/media/54304/retail\\_2020\\_-final.pdf](https://brc.org.uk/media/54304/retail_2020_-final.pdf)

<sup>4</sup> BBC News: More than 17,000 chain store shops closed last year, <https://www.bbc.co.uk/news/business-60418435>



## Chains are closing stores faster than they open new ones

Chain store openings and closures, 2014-2021



Multiple retailers/chains with more than five outlets

Source: PwC data compiled by Local Data Company for 2021 across GB



The pandemic has also underlined just how portable the modern-day office job is as well. The move away from the traditional office space was apparent pre-pandemic. During the pandemic, working from home became mainstream, forcing one of the largest changes in the labour market the UK has seen in a generation. And the implications are far-reaching.

For regional cities, this is a challenge as they come to understand if the underutilisation of office space is long term and what implications that has for the eco-system. For commuter towns, the situation is different, with opportunities to retain commuters in the local economy. This alone, could rewrite our economic geography and spatial planning shifting the development for commercial space, residential, digital connectivity, public transport network and other infrastructure. It is a product of an industrial revolution which has been turbo-charged by COVID-19.

### 1.3 The Need for Sustainable, Predictable Funding for Every Town and City

The climate emergency and the future of work are merely tips of the iceberg. These are global problems which impact villages, towns and cities, the north and the south, coastal and inland communities. Getting our funding models right today, will dictate the type of economy we will have decades from now.

Because of the universality of these challenges and how long-term they are in nature; funding must be aligned to deliver the maximum amount of value for the taxpayer. Unfortunately, we are concerned that our current funding framework does not deliver for everyone or every town and city.



## 2. How Central Government Funding for Local Growth Creates Winners and Losers

Various funds for local growth from the UK Government are extremely useful for pump priming change. They can provide a valuable source of money which can be transformative for towns and cities, whether it is via the Local Growth Fund, Future High Streets Fund, Towns Deal, Levelling Up Fund or under any other heading.

Great Yarmouth, for example, has managed to secure £13.7 million under the Government's Future High Street Fund, with a bid focussed around introducing more residential, culture and leisure uses, bringing empty buildings back into use, making more of the borough's rich heritage, and improving linkages and sense of arrival from key gateways and the seafront.

The intention is to undertake the following:

- Relocating the library to a larger building in a more central location, co-located with a new Learning Centre and University campus
- Converting space in empty or under-utilised historic buildings into new homes
- Establishing a new heritage centre
- Redeveloping the Market Place

This investment means improvements in education, housing and commercial space.

Great Yarmouth joins destinations like March and St Neots in successfully bidding for the Future High Street Fund. This will be complemented by a £20.1 million Town Deal, major capital funding to deliver on the ambitious Town Investment Plan for Great Yarmouth, Gorleston and Bradwell, focussing on attracting further investment, driving economic regeneration and recovery.

This is excellent. The money can be transformative and certain aspects of the bidding process bring key stakeholders together to work in partnership and deliver a multi-stakeholder approach to local growth including local government, BIDs, LEPs, Mayors, community and others. When used well, it can help to overcome both the challenge of climate change and an industrial revolution, providing on platform for local growth.



## **2.1 Case Study: Ipswich Town Centre's Vision to Beat Climate Change and Technological Change**

Ipswich Vision, a partnership of civic, business and education leaders, led by the BID, Ipswich Central, aims to transform its town centre into the UK's most connected, a building on an international model known as the '15-minute city'.

This will mean a significant growth in the number of people living in the town centre with commitments to encourage new housing development on unused sites and by converting redundant buildings and retail upper floors. Alongside this, and to encourage more urban living, the plan is to introduce uses that will encourage people to live and stay locally. These might include schools and educational facilities, a music venue, an outdoor gym, and more green areas, cycling and walking routes.

The plan is also to involve neighbourhood shopping parades, a realisation that new forms of hybrid working will lead to a greater dependency upon local amenities. It also develops the town centre's role as a place to live for commuters to London who will increasingly work more from home and as a destination for people staying locally and choosing Ipswich and Suffolk as a place to visit.

This is levelling up, and it is the type of strategy that allows a town to meet the challenge both of an industrial revolution through the development of a truly mixed-use centre that brings people and businesses together, creating a relevant and vibrant place, whilst helping us to reduce carbon emissions by making active travel a realistic goal.

Ipswich Vision is being enabled Towns Deal funding, a clear sign of what this investment could be used for to overcome some of our greatest economic challenges.

## **2.2 The Flaws of Current Funding Model**

Despite these success stories, there are two weaknesses which stifle local growth. Firstly, these pots of money are structured to deliver on government objectives as understood centrally, not necessarily based on problems identified locally. The way these global challenges manifest themselves locally can vary significantly from place to place. Centrally determined criteria for funding local growth carries a danger that real problems cannot be solved, and the fund is not offering full value for money.



Secondly, the competitive process means many towns and cities are excluded from funding. This is true for the destinations represented by the Eastern BIDs Network as it is across the UK. We have winners and losers when it comes to accessing funding under this competitive process.

Neither of these problems are insurmountable if there is an adequate level of devolved funding which could form the core of towns and cities being able to invest in their regeneration, acting as a counter-balance to central funding streams. However, a third problem exists. Funding derived from local sources is simply not adequate. This is creating a lopsided framework for investment.

### **3. The Broken Model for Local Investment**

The model for the local funding of economic development is broken. It has been broken for years. Funding derived locally for growth is scant with some private sector levers for investment being neglected and many public agencies being starved of cash. For the UK to transition to a true 21<sup>st</sup> Century economy, investment is needed for every town and city to ensure we deliver on real levelling up that pays dividends for the taxpayer in the long-term.

#### 3.1 Public Sector Investment

Prior to the pandemic, councils had already absorbed a £15 billion real terms reduction to core government funding between 2010 and 2020<sup>5</sup>. These cuts fall disproportionately on services such as economic development and planning which are not statutory.

#### 3.2 Private Sector Investment

These challenges are exacerbated at a local level without the right conditions for private sector investment. The private sector has already demonstrated that it is prepared to step up and play a leadership role in the heart of towns and cities through the BID model. The nearly 8,000 businesses that fall under the Eastern BIDs Network for example, invest £7.73 million a year in economic development.

#### 3.3 Neglected BID Model

Instead of fostering this model to ensure it fulfils its potential in delivering the change needed, the model has been neglected. Since the introduction of BIDs in England and Wales under the Local Government Act 2003, businesses have been able to pool investment in a pre-defined geography often for the purposes of economic development. During 2021, it is estimated that BIDs across the British Isles were responsible for £152,713,787 of investment based on levy income and

---

<sup>5</sup> Local Government Association - Spending Review 2021 Submission  
<https://www.local.gov.uk/publications/spending-review-2021-submission>





estimated additional income.<sup>6</sup> We think this could be more. Unfortunately, the legislation that allows them to operate is in desperate need of modernisation to help stimulate investment.

### 3.4 Archaic Business Rates System

It is not just legislation around BIDs that hold back private sector investment. The business rates system is yet to be modernised. It continues to be a burden for users and investors in non-domestic property despite the economy transiting to one where digital plays a significant role in economic trade and engagement.

### 3.5 Gaps in Local Investment

As a result, there are concerns across the industry about where investment will come from to deal with the issues that really matter. Given current pressures such as post-pandemic recovery and a transition to a net zero economy, there would be an expectation of a wave of investment for local growth. Instead, there is a concern that this is not as high as it should be.

Only 76% of public sector organisations surveyed plan investment in their town centre in the next five years with 13% ruling out any investment altogether.<sup>7</sup> Only 29% of private sector asset owners, investors and developers plan any investment. Of all those committed to investment, over a quarter are doing so with the aid of central government funding in the form of Levelling Up Fund, Towns Deal, Future High Streets Fund or other form of fund. There is a clear indication that the neglect shown towards tools for devolved investment in local growth means we are at a point when we are too reliant on funding from Central Government.

This is a significant problem. There are concerns around the longevity of funding if towns and cities never control their own purse strings. Questions have arisen within the industry around what happens when certain funds are discontinued. There are concerns that priority is often given to capital funding, when revenue funding is often critical to accelerating local growth. There is a lack of trust in relation to whether the system delivers according to genuine need. Recent reports over the intervention of government whips exacerbate these concerns.

A framework for funding economic development which creates winners and losers will not allow the UK to transition to an economic powerhouse of the 21<sup>st</sup> Century where we see real productivity gains, especially in those locations which historically lag behind.

---

<sup>6</sup> British BIDs - Business Improvement Districts in the British Isles 'The 2021 Annual BID Survey and Report': <https://britishbids.info/publications/annual-bid-survey-and-report-2022>

<sup>7</sup> Lambert Smith Hampton & Revo Survey 2022 – Yet to be published



## 4. Recommendations

For clarity, the funding coming from Central Government to invest in local growth must continue. It has the potential to be transformative where used by the right group of partners. Our concern is, like any source of funding, there are advantages and disadvantages to how it is structured.

While some of the amounts offered under the Local Growth Fund, Town's Deal, Future High Streets Fund and other packages are significant and helpful, this needs to be balanced by funding from local sources to support the transition of places that might fall through the gaps or to solve problems that are not covered by national priorities and criteria. With lots of funding from national sources, but too little funding from local sources, we have a lopsided framework for investment.

Therefore, we would like to suggest recommendations not aimed at altering the current model for Central Government funds for local growth, but to ensure we can cultivate the investment from other sources to complement money from Central Government.

### 4.1 Unlocking the Local Investment that Meets Local Need

As the BIDs industry nears its 20<sup>th</sup> anniversary since its emergence in the UK, it has proved itself a reliable partner in economic development. Even just over the past two years, BIDs have been on the frontline of mitigating the impact of the pandemic.

Despite this, they have not yet reached their full potential. The legislation governing BIDs has barely changed in nearly two decades. Today's challenges requires a fresh approach for BIDs.

We recommend:

- *Comprehensive changes to the legislation governing BIDs in England*
- *10-year terms introduced for mature high achieving BIDs to provide more certainty around long-term local growth projects*
- *Introduction of Property Owner BIDs legislation to bring a new dynamic to regeneration and the refreshing of the existing regulations on Occupier BIDs which are out-dated*

We also acknowledge that local authorities continue to play a key role in local investment. They are significant employers. They are asset owners. Functions including housing, economic development, planning and licensing can set the tone for private investment. The deep funding cuts they have endured in recent years is not sustainable if we are to create a well-rounded framework for local growth.



We recommend:

- *A new deal for local government is sought, one that adequately resources them so they can play a more positive role in our transition to a 21<sup>st</sup> Century economy.*

#### 4.2 Culture Shift in Public Agencies

BIDs are unique. Their relationship with businesses clustered together brings unparalleled opportunity of economic development that can really accelerate local growth.

When it comes to the use of funds, BIDs can and should be trusted as key delivery partners who can work with public agencies to make local growth a reality. Their reach with the business community and core remit of managing commercial destinations means that specific projects can be delivered efficiently and effectively with major benefits to the taxpayer.

However, this does require a culture shift from public agencies who might hold the purse strings.

We recommend that:

- *BIDs are recognised as delivery partners who can be key partners in local growth funds and bring benefits that no other partner can.*
- *Involvement in economic development and planning function for mature high achieving BIDs to provide more business engagement in long-term local growth projects*

#### **4.3 Case Study: Norwich BID Strategic Scope, Funding and Partnership Development**

Norwich is a clear demonstration of what is possible when a BID is entrusted to deliver local growth projects.

Norwich BID has a clear vision that regeneration and reinvigoration of the historic city centre is best done in partnership, led by the private sector but with the public sector playing a critical supporting role, aligning infrastructure expenditure to planned investment and ensuring that residents and other city centre users are fully involved in the projects so they will become active stakeholders in the delivery of objectives.



Through this ethos and a successful track record of delivery, the BID has secured additional funding to support the objectives of numerous funding sources; directly receiving funding from the EU and Government agencies, including Interreg 2 Seas, Towns Deal, UK Community Renewal Fund and Arts Council England in the last 12-month period.

Norwich BID has led the £510,000 Culture Recovery Fund 'Norfolk BIDs' project to deliver training and support for business, in partnership with King's Lynn and Great Yarmouth. Collaborating to offer agile and flexible solutions post COVID-19 to rebuild confidence in our high streets as destinations, supporting the adaptation of businesses for a sustained and diversified recovery by creating opportunities to trial new approaches and innovative ideas. The BIDs have focussed on four key areas:

- Investing in Media/Digital skills business training
- Providing business support space,
- Net Zero Waste strategy and delivery plans
- Providing training and upskilling for the Hospitality and Leisure Sector.

As part of the £25 million Towns Deal for Norwich, Norwich BID is leading on the £200k project to establish a cohesive city-wide commercial branding strategy, promoting Norwich as 'the place' for business, recognising the city as one of the best places in the country to live, learn, work, and succeed. It will articulate the city as having distinctive, exciting business opportunities and a quality of life that retains and attracts top talent.

Norwich BID is a project partner in the Interreg 2 Seas project 'Upcycle Your Waste.' This is a €3m project re-purposing waste from the city's small and medium businesses and creating new resources for the local community to use. Norwich is one of two cities in the UK working on the European project. The £300k initiative aims to upcycle 20% of all the waste produced by businesses as part of our approach to impact on environmental and climate challenges facing the city.

Norfolk County Council has leveraged £59 million from the Transforming Cities scheme to deliver the 'Transforming Norwich' programme, which sets out a vision to "invest in clean and shared transport, creating a healthy environment, increasing social mobility and boosting productivity through enhanced access to employment and learning". As a partner, Norwich BID is directly delivering £500k of infrastructure and public realm projects at a critical time for facilitating growth and increasing productivity, whilst at the same time tackling congestion, carbon emissions and poor air quality.



Norwich BID generates £900,000 in levy per annum but identifies and secures additional funding to deliver the core objectives for the city, including £1.2 million in 2021/22. The driving principles of this are:

- **Ideas:** Improve collaboration across sectors and geographic clusters, drive innovation
- **People:** Grow an inclusive economy with a highly skilled workforce where skills and employment provision meet business need and the aspiration of individuals.
- **Infrastructure:** Assist in the development of improved infrastructure, inputting into the creation of a business district strategy for each city area, addressing issues like transport, public space, and connectivity.
- **Strategy:** Input into the development a cohesive city centre strategy that will set out the vision and objectives with partners as part of the longer term 2040 vision
- **Business Environment:** Create more productive jobs, improve employee job satisfaction, skill levels and agile businesses.