

TOPIC: The Business Plan

Abstract: -

The business plan is not to be confused with the BID Proposals. The former may be considered as a summary of the latter, but it is the latter that detail the matter that is taken to ballot and on which liable parties will vote.

Reference is made to a 'business plan' within the BID Regulations (England) 2004 as one element of the BID Proposals and they state that any such plan should include:

"...the estimated cashflow, an estimate of the predicted revenue to be generated and the predicted expenditure to be spent under the BID arrangements, the predicted budget over the duration of the BID arrangements and the contingency margin included in the budget..." (Regulation 4 (2)(a) (i) (bb))*.

The assumed purpose of the 'business plan' is, therefore, primarily to describe those aspects of the Proposals relating to financials. Furthermore, the 'business plan' must be made available to liable parties and the Regulations do not require that it is sent out to every liable party.

"...it shall send a copy of the....proposed business plan, to any person who is to be liable for the proposed BID levy who requests a copy..." (Regulation 4 (3) (b))*.

Best and accepted practice suggests differently and that a BID Business Plan is published, printed and distributed no later than Notice of Ballot.

Guidance: -

A typical published BID business plan will extend beyond the financial elements required by the Regulations. It will, instead, explain the context, set out the services to be delivered together with their justification through research, and explain the rules that will apply and enable collection of the levy.

Each year, National BID Criteria is published setting out the expectations that major levy payers have of business plans.

TIPS

1. Ensure that the financial requirements of a business plan according to the Regulations are included in any published version.
2. Include the published version within submitted BID Proposals.
3. Publish and distribute a fully detailed business plan to all those to be liable for the levy.
4. Ensure compliance with the Industry Criteria, published annually.

Notes:

*In the Scottish Regulations, the reference to the business plan is under Regulation 5(2) (a) (i) (bb) and in Regulation 5 (3) (b). The Welsh and Northern Ireland Regulations are numbered the same as the English.