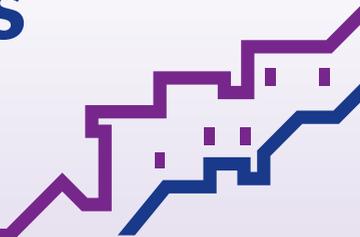


12 Key Questions Answered

on Business Improvement Districts



BIDS 

BUSINESS IMPROVEMENT DISTRICTS SCOTLAND





Welcome



Business Improvement Districts Scotland (BIDS) leads the Scottish Government's BID programme and is the national organisation for Business Improvement Districts (BIDs) in Scotland.

The development of the BIDs sustainable financial model in Scotland was recommended by the Local Government Committee of the Scottish Parliament in its Report of Inquiry into Local Government Finance 2002, and subsequently was considered as part of the Scottish Government's Cities Review. This information leaflet has been developed to provide an introduction to BIDs in Scotland.

A consultation on BIDs in Scotland was carried out in July 2003 which identified that the use of BIDs should not be restricted to large towns/cities so as to allow for innovative schemes to be developed wherever possible. It suggested areas to be developed should include:

- **tourism and visitor**
- **rural areas**
- **agriculture.**

A BID delivers a sustainable financial model for businesses wishing to work collectively for the improvement of their business environment and to assist with local economic growth. A BID could be considered for:

- **town centres and local high streets**

- **tourism and visitor areas**
- **rural towns/settlements**
- **business parks and science parks.**

A BID may also focus on a particular single business sector, for example golf or food producers.

The BID model provides a framework and a sustainable, flexible financial model able to address local issues and concerns. It ensures a more cohesive approach across agencies, government and the private sector – delivering economic, social and environmental outcomes in support of local and national government outcomes, including the central policy purpose of sustainable economic growth.

BIDS shares knowledge, information and best practice and develops BIDs policy across the country. Working with our partners and local BIDs, our aim is to improve the trading environment for businesses whilst contributing to the wider regeneration and asset management aspirations of local communities.

The Scottish Government supports the development of BIDs and offers a development grant to business groups and associations, community councils and Development Trusts working in partnership and with their local authority to develop a BID in Scotland.

I believe that BIDs in Scotland have the potential to bring about strong and successful business-led partnerships which can contribute significantly to 'a better place to do business', helping to boost sustainable business growth and improving local communities.

Ian Davison Porter

Director, BIDS

(May 2011)

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Q1. What is a Business Improvement District (BID)?

A BID is a business-led initiative where businesses work together and invest collectively in local improvements to their business environment. It should be a partnership between the private and public sectors.

A BID is not a substitute for central or local government services, but is a way in which additional funding can be raised. Businesses can then decide how to use that funding to strengthen the local business economy. BID improvements and services must be in addition to those baseline statutory services delivered by local authorities.

Through consultation, normally carried out by a steering group, a range of projects and services is agreed and a business plan developed. This is then put to a democratic vote involving all the eligible businesses in the proposed BID area.

A BID is often a partnership arrangement through which the local business community and statutory authorities can take forward projects which will benefit the local economy.

By giving local businesses a unified voice,

a BID can provide an arena for businesses and local authorities to increase their understanding of each other's priorities enabling them to work together for a stronger, more sustainable economic future that will benefit local businesses and the wider community.

A Business Improvement District also contributes towards the Single Outcome Agreement (SOA) of a local authority by:

- **creating accessible employment opportunities for local people**
- **assisting in creating a safer environment**
- **supporting wider community regeneration objectives**
- **increasing the value of tourism to the local economy by attracting more visitors to the area**
- **promoting joint effort and drive towards a shared vision**
- **giving a clear steer to the private sector on the level of ambition and opportunity for change**
- **delivering a strong local partnership.**



Q2. What are the benefits of a BID?

A BID delivers sustainable funding for an agreed period of time, allowing the private sector to work with partners within a flexible mechanism to deliver a wide variety of projects and services which will improve their business environment.

A BID provides the opportunity to:

- provide clarity of vision, leadership and strategic focus to an area
- harness the drive, initiative and involvement of the private sector
- act as a catalyst for private sector investment by raising investor confidence
- deliver additional levy investment and lever in additional funding
- assist with strategic planning and policies and guide public and private sector investment towards an agreed set of objectives and outcomes
- coordinate project delivery and reduce duplication and fragmentation
- speed up the pace of delivery
- maximise the use of public sector assets
- drive up standards (Baseline Service Level Agreements)
- develop and encourage civic pride
- develop marketing and communications strategies
- increase performance across business sectors
- grow the local economy and contribute to national economic growth
- deliver local support and develop public/private partnerships – with the strong commitment of the private sector
- improve competitiveness against other locations.



Q3. What type of services and projects can a BID deliver?

A BID can cover almost any project or service that businesses agree would be of benefit and worth funding, as long as these are additional to the services provided by the statutory authorities.

BID projects can tackle issues such as:

- access
- safety and security
- cleansing and waste
- environmental improvements
- marketing, hospitality and events
- improved asset management.
- national procurement
- local procurement
- business development
- independent business assistance and succession
- climate change agenda – renewable energy
- zero waste – reduce, reuse, recycle
- European funding.

More innovative projects and services can develop as each BID evolves and matures. Some, for example, are developing projects around waste management, utilities, collective purchasing and cross-selling. Examples include:

Q4. How do we know that our BID services are additional?

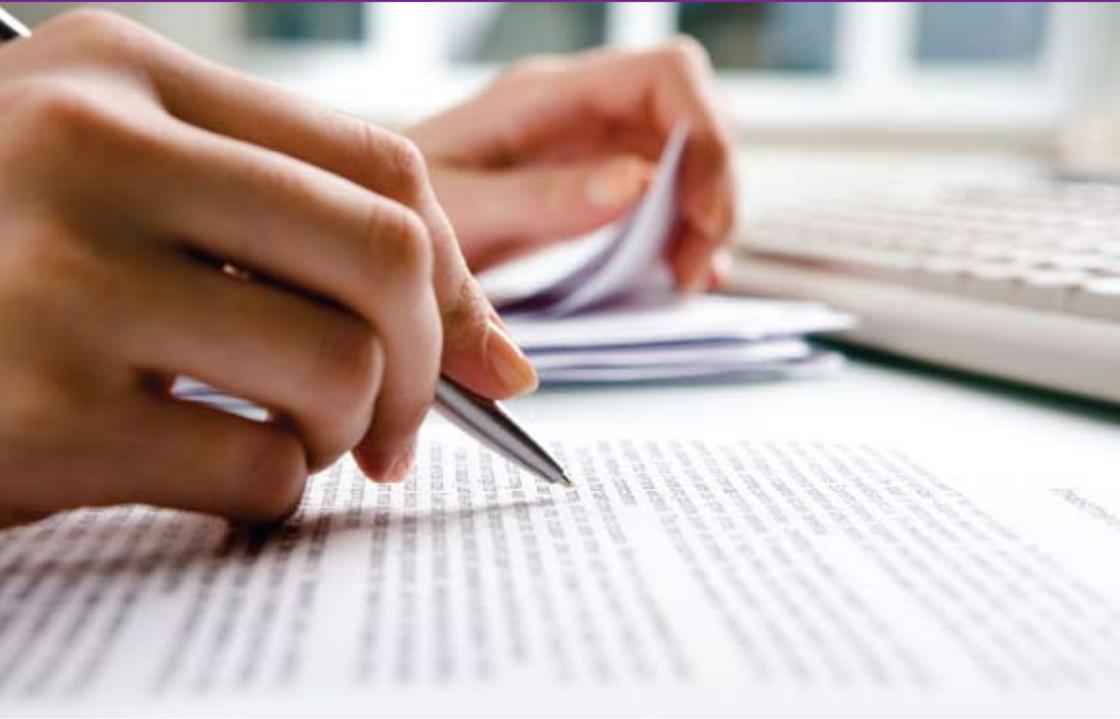
Statutory Authorities are required to provide details of existing and planned services and other services provided by other bodies with public functions to the BID Proposer.

The steering group will include in the business plan a memorandum of understanding or baseline service level agreement showing what services are delivered by the local authority in the

proposed BID area.

Local authority services and, where relevant, other statutory authority services will be benchmarked at the beginning of the BID and monitored during the lifetime of the BID.

A standard proforma is available on the BIDS website to help developing BIDs identify and benchmark statutory services.



Q5. Where did the BID concept come from?

Born out of Town Centre Management Partnerships, the concept was originally set up in Canada in the 1960s, but took off in the USA in the late 1970s.

The initiative has already been successfully implemented in New Zealand, South Africa, Jamaica, Serbia, Albania, England, Wales, Germany and Ireland, and is now progressing in other areas of Europe.

There are over 1,500 BIDs in operation, ranging from the very successful New York Times Square BID to lesser known, but equally

successful examples, such as the Heart of London BID.

The Scottish Government enacted BIDs legislation in 2006, and in April 2006 the BID Pathfinderers were established.

- **Bathgate (town centre)**
- **Clackmannanshire Business Parks**
- **Edinburgh (city centre)**
- **Falkirk (town centre)**
- **Glasgow (city centre)**
- **Inverness (city centre).**



Q6. What role does business play in developing a BID?

Each BID is developed by business for business.

Experience shows that the initial development stages are brought forward by the public sector with private sector support and generally in areas where there is an existing private/public sector partnership.

Normally, a steering group or task group is established, made up of predominantly private sector individuals and some public sector

representatives.

After consultation with the businesses, the steering group will identify the proposed BID area to be covered, the issues to be addressed and projects to be included in the business plan.

The business plan will also set out the delivery mechanisms and performance indicators of the BID, as well as the BID governance and management structures.

Q7. How is a BID funded?

A BID is funded by business – occupiers and, where agreed, property owners – through a levy based on the cost of the BID business plan and apportioned across all the eligible levy payers in a fair and transparent manner.

The BID steering group will propose the levy rate in the business plan. The levy contributions

could be made by a combination of occupiers and property owners or by occupiers alone. The levy can also be varied by location, by business size or by business sector.

The levy monies raised can only be used for the delivery of the BID business plan.

Everyone contributes and everyone benefits.

Q8. Are additional funding sources allowed?

The legislation allows for contributions to be made by other agencies and organisations and, depending on the legal status of the BID company, it may be possible for applications to be made to other funding sources, or for additional revenue to be developed through a

commercial venture.

In Scotland, private sector investment in current BIDs totals £2.1 million excluding funding from statutory authorities, grants and other funding streams, revenue income and European funding.

Q9. What are the voting criteria for a BID?

Each occupier and, if applicable, property owner who will be asked to pay the levy will be able to vote on whether or not that BID goes ahead.

A BID proposal in Scotland will only proceed if more than half of the businesses vote in its favour and they represent more than half the rateable value of the BID area.

A minimum turnout figure of 25% is also required.

These thresholds protect occupiers and property owners, as well as large and small businesses.

Higher thresholds can be set by the steering group if it thinks this will help to reassure the wider business community in the area.

If the ballot is successful, the decision is binding on all the eligible businesses within the BID area.

Q10. How long does a BID take to develop?

The timetable for each BID will differ significantly according to local circumstances, including the amount of time required for consultation and carrying out feasibility studies.

Experience in Scotland, shows that the establishment of a BID (i.e. to ballot) normally takes from 14-18 months.

Q11. How long does a BID last?

BIDs in Scotland operate under the Planning etc. (Scotland) Act 2006 and, following a ballot, have a maximum duration of five

years. The BID is then required to seek a new mandate from the businesses in the BID area.

Q12. How do I find out more?

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