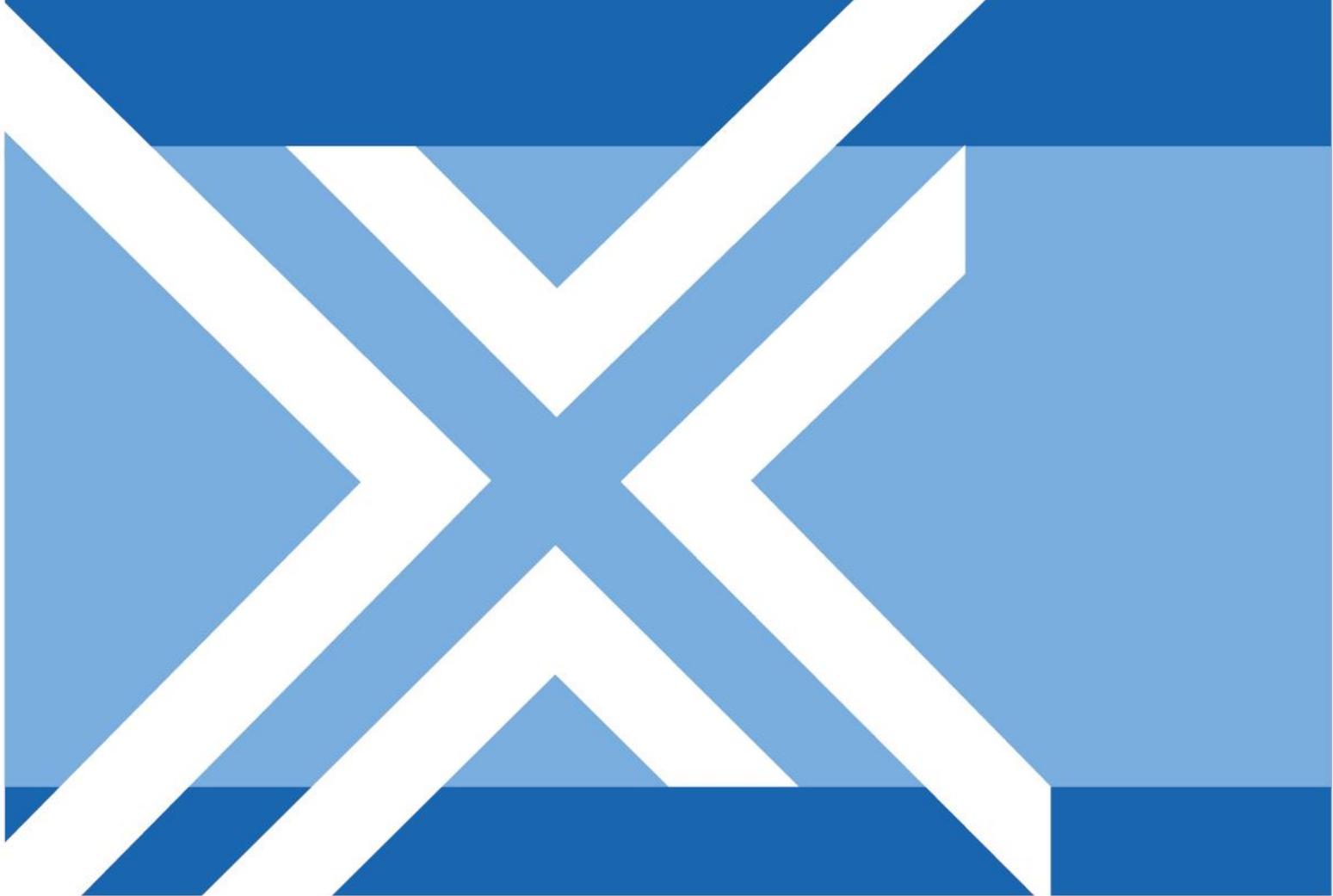




SCOTLAND'S
IMPROVEMENT
DISTRICTS

ABOUT IMPROVEMENT DISTRICTS



Welcome

Scotland's Improvement Districts (SIDs), is the national organisation for Business Improvement Districts (BIDs) in Scotland. Whilst most BIDs are City and Town focused, we want to encourage a more ambitious and expansive programme to include Energy, Community, Food and Drink, Tourism, Cultural, Innovation and Digital Improvement Districts.

The development of the BIDs 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 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.

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 inclusive economic growth. We will also encourage closer collaboration with local communities and third sector partners.

The Scottish Government supports the development of Improvement Districts 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.

Improvement Districts have the potential to bring about strong and successful business-led partnerships which can contribute to 'a better place to do business', helping to boost sustainable business growth and improving local communities.

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About BIDs – 12 key questions answered

This booklet answers the following key questions:

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Q1. WHAT IS A BUSINESS IMPROVEMENT DISTRICT (BID)?

An Improvement District is about businesses working together and investing collectively in local improvements, in addition to those delivered by the statutory authorities, which will be of benefit to the businesses involved whilst contributing to the wider aspirations of the local residential community and growing the local economy.

By working together, businesses can reduce costs, share risks and create new platforms for growth.

Using the Business Improvement District (BID) Model, we now wish to encourage Cultural and Innovation, Tourism, Food and Drink, Energy and Marine, Community and Digital Improvement Districts to sit alongside the more traditional City and Town Improvement Districts.

Whilst the key driver will still be the Improvement District levy payers, we also want to encourage a more holistic and sustainable approach where local Corporate anchors, the wider Public Sector, National Agencies and Communities can play a more active role in supporting their local Improvement District. This can be achieved through closer partnership, alignment of objectives and resources, direct investment, externally funded programmes, sponsorship, corporate social responsibility and volunteering.

An Improvement District Project is not a substitute for central or local government investment, but an additional investment to strengthen the local economy and give local businesses a unified voice, helping to provide an arena for businesses, stakeholders, communities and local authorities to maximise the impact of their collective investments.

Improvement Districts are developed, managed and paid for by the business sector by means of a compulsory levy which the businesses within the proposed area must vote in favour of before the Improvement District can be established. Each business liable to contribute to the project will be able to vote on whether or not it goes ahead. We want to encourage more contributions, in kind support and strategic alignment from corporates, agencies, communities and the local authority sector to improve outcomes, pool resources, increase partnership working and improve sustainability.

Q2. WHAT ARE THE BENEFITS OF AN IMPROVEMENT DISTRICT?

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 PROJECT CAN AN IMPROVEMENT DISTRICT DELIVER?

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

Improvement District projects can tackle such issues as:

- Access
- Safety and security
- Cleansing and waste
- Environmental improvements
- Marketing, hospitality and events
- Improved asset management
- Digital and tourism
- Skills and employment

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

- national procurement
- local procurement
- business development
- independent business assistance and succession
- climate change agenda – renewable energy
- zero waste – reduce, reuse, recycle
- European funding.

Q4. HOW DO YOU WE KNOW THAT SERVICES ARE ADDITIONAL TO THOSE DELIVERED BY THE STATUTORY AUTHORITIES?

Statutory Authorities are required to provide details of existing and planned services and other services provided by other bodies with public functions to the 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 Improvement District area. Local authority services and, where relevant, other statutory authority services will be benchmarked at the beginning of the project and monitored during its lifetime.

Q5. WHERE DID THE 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 following BID pathfinders were established:

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

Q6. WHAT ROLE DO BUSINESSES PLAY IN DEVELOPMENT?

Each Improvement District is primarily developed by business for business. We are encouraging more input from Corporate and Community Enterprises.

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 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, as well as the governance and management structures.

Q7. HOW IS IT FUNDED?

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

The 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 business plan. Everyone contributes and everyone benefits.

We are encouraging more voluntary contributions from public, corporate and community partners to support the Improvement District Plan.

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 Improvement District 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.

Q9. WHAT ARE THE VOTING CRITERIA?

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

An Improvement District proposal in Scotland will only proceed if the majority of the businesses vote in its favour by number and rateable value.

A minimum turnout figure of 25% is also required by number and rateable value.

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 project area.

Q10. HOW LONG DOES IT TAKE TO DEVELOP?

The timetable for each project 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 IT LAST?

Improvement Districts in Scotland operate under the Planning etc. (Scotland) Act 2006 and, following a ballot, have a maximum duration of five years. The Improvement District is then required to seek a new mandate.

Q12. HOW DO I FIND OUT MORE?

For further information please contact:
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