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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 30 APRIL 2024**

**SUBJECT: TOURISM BUSINESS IMPROVEMENT DISTRICT – RENEWAL  
BALLOT**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE)**

**1. REASON FOR REPORT**

- 1.1 To seek the Committee's approval to support the renewal ballot for the Tourism Business Improvement District (BID).
- 1.2 This report is submitted to Committee in terms of Section III (F) (2, 3, 4, and 28) of the Council's Scheme of Administration relating to exercising the statutory functions of the Council in relation to economic development, commercial development, assistance to business and tourism development.

**2. RECOMMENDATION**

**2.1 It is recommended that the committee:**

- i) **agree for Economic Growth and Regeneration to continue to support the Tourism BID through the undertaking of the renewal ballot; and**
- ii) **note that a further report will be presented to Committee with full business proposal and supporting five-year business plan, including levy details and any potential future financial implications for the Council, and the assessment of the Council's right of veto.**

**3. BACKGROUND**

- 3.1 A Business Improvement District (BID) is a business led initiative where businesses come together to provide additional services and initiatives which will improve the trading environment and benefit the local economy within a defined geographical area. The resulting improvements and services are additional to those provided by public sector organisations.

- 3.2 BIDs are developed and managed by the business sector with projects being partly funded through a compulsory levy, which is calculated on the basis of the non-domestic rates valuation.
- 3.3 Currently there are 33 BIDs in Scotland and more in development, with BID's operating in different environments, including city and town centres, business parks, industrial estates and tourism initiatives.
- 3.4 BIDs came into force in Scotland in 2007 as a result of primary legislation in Part 9 of the Planning etc. (Scotland) Act 2006 and other secondary legislation. This included UK parliamentary regulations needed to implement reserved aspects of the policy.
- 3.5 **The Council has a statutory role to play in the process as prescribed in the Planning etc. (Scotland) Act 2006, Part 9 – Business Improvement Districts.** This role requires the Council to assist in the establishment of BIDs, provide baseline service statements, scrutinise BID proposals, undertake the ballot, announce the ballot results, collect the BID levy, and if required the management and termination of the BID arrangements.
- 3.6 On 6 February 2024, this Committee agreed to adopt a set of minimum standards for BID's, in the principle of good governance (paragraph 15 of the minute refers):
- (a) Up-to-date accounts, as per Companies House requirements.
  - (b) A published register of interests of Directors; and
  - (c) Publicly available Annual Report for each completed year of the BID term.

These standards will be incorporated into future Operating Agreements between Moray Council and the BID Company.

- 3.7 The voting on a BID is governed by the legislation. In Scotland the maximum duration of a BID is 5 years, after which it is required to secure another mandate. A BID can only proceed when it has been put to a democratic vote involving all eligible businesses. To secure a new BID term, the vote requires a minimum turnout of 25% of eligible voters (both in terms of number and rateable value) and more than half of the businesses vote in support of it; they in turn must represent more than 50% of the rateable value of the BID area.
- 3.8 The Tourism BID operates within the geographical area covered by Moray Council excluding the area already part of City of Elgin BID. Tourism businesses have been defined as those businesses falling within the classifications outlined by VisitScotland's Quality Assurance Scheme (whether or not the business has signed up to that programme) and includes a range of accommodation providers, visitor centres and attractions, museums, historic buildings, golf courses, breweries and distilleries with visitor centres, tourist shops, activity and outdoor centres.

- 3.9 Under the current term of the Tourism BID, tourism businesses with a non-domestic rateable value of £2,000 or above are subject to the levy. Tourism businesses operated solely by volunteers i.e. that have no paid staff, whether or not they charge an entrance or service fee were not included in the Tourism BID. However, they, along with businesses which are either below the rateable value threshold or have no premises such as activities and tour operators could opt-in to participate in the Tourism BID if they wish to do so at a fee of no less than the minimum levy rate.
- 3.10 During this initial 5-year phase of the Tourism BID, the levy was calculated in bandings, as detailed in the below table, and linked to the Retail Price Index (RPI) in order to take account of any inflation.

<b>Band</b>	<b>Rateable Value</b>	<b>Annual Levy</b>
1	£2,000 - £4,999	£273.75
2	£5,000 - £14,999	£365
3	£15,000 - £99,999	£730
4	£100,000 and above	£1460

- 3.11 All tenants and, if applicable, property owners, who will be subject to the levy, will be invited to vote on whether a BID proposal will go ahead or not.
- 3.12 The first successful Tourism BID ballot took place in January 2020 with a turnout of 37.91% and 75.18% voting in favour, representing 97.17% in favour by rateable value.
- 3.13 The Tourism BID became operational on 1 April 2020 with the establishment of Visit Moray Speyside Ltd. The board comprises 9 directors, which includes the CEO of the Tourism BID, Visit Moray Speyside Ltd, and represents a cross-section of businesses within the BID area.
- 3.14 The Tourism BID has been working to an agreed Business Plan and their achievements to date can be found in **APPENDIX I**. The BID must now undertake a renewal ballot if they wish to continue beyond the end of their five-year term for a further five-year period.
- 3.15 Surveys and consultation workshops have commenced with more scheduled to take place over the coming months to establish the geographically defined area, priority themes, projects, and services with associated costs for the next business plan and proposal 2024.
- 3.16 This paper is seeking agreement for Economic Growth & Regeneration to continue to support the Tourism BID through the renewal ballot process only.

A second report will be presented to committee in November 2024; this report will be for consideration of the merits or otherwise of the Tourism BID proposal and supporting five-year business plan, including levy details, and the assessment of the Council's right of veto as per the legislative prescribed circumstances.

3.17 Council must decide whether to veto the BID by 9 January 2025 - 70 days prior to the ballot date. The Council may veto proposals only in the circumstances specified in Clause 42 of The Planning etc. (Scotland) Act 2006. Those circumstances are that the local authority consider that the BID proposals are likely:

- (a) to conflict with any structure plan, local plan, strategic development plan or local development plan which has been approved or adopted under the principal Act and which applies to the proposed business improvement district or any part of it
- (b) to conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority are under a statutory duty to prepare such a document
- (c) to lead to a significantly disproportionate financial burden being imposed on –
  - (i) any person entitled to vote in the ballot on the proposals, or
  - (ii) any class of such persons, as compared to other such persons or classes

3.18 **Key Dates and Ballot** – Under the legislation, 98 days’ notice is required to the Scottish Government and Local Authority with the final BID business plan and proposal being submitted by 12 December 2024. It is proposed that the ballot procedure will be sub-contracted to the Electoral Reform Society, which has conducted the majority of BID ballots in the UK including the Tourism BID ballot in 2020. The provisional dates are:

- Publish notice of the ballot by 23 January 2025
- Ballot papers to be issued by 6 February 2025
- Final day for voting papers to be received by 18 March 2025
- Announcement of ballot results by 20 March 2025

#### 4. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Tourism BID renewal ballot proposal will contribute to the corporate plan priority to promote economic development and growth as well as the LOIP priority of a growing and sustainable economy.

(b) **Policy and Legal**

The legislation which implements BIDs in Scotland are:

- The Planning etc. (Scotland) Act 2006
- The Business Improvement Districts (Scotland) Regulations 2007
- The Business Improvement Districts (Ballot Arrangements) (Scotland) Regulations 2007 and
- The Planning etc. (Scotland) Act 2006 (Business Improvement Districts Levy) Order 2007
- The Business Improvement Districts (Scotland) Amendment Regulations 2007 and

- The Business Improvement Districts (Scotland) Amendment Regulations 2008

Under the legislation where the local authority is of the view that the BID proposal or renewal and preliminary procedures conflict with a policy formally adopted and published by the authority, the authority shall notify the BID proposer in writing explaining the nature of that conflict.

A local authority can veto a detailed BID proposal if it conflicts with any of the above Acts or for reasons such as the proposed levy would create disproportionate or unreasonable financial burden amongst rate payers. However, an appeal against a veto will be decided by the Scottish Ministers.

As in the present Tourism BID arrangements, any proposed improvement projects and services will be in addition to any existing provisions provided by Moray Council and Community Planning Partners. It is intended to continue the operating agreement between Moray Council and Visit Moray Speyside Ltd, which will be updated in consultation with Legal to reflect all changes. The purpose of the operating agreement is to establish the procedure for the setting, collection and remittance of the BID Levy; confirm the basis upon which the Council will be responsible for collecting the BID Levy; set out the enforcement mechanisms available for collection of the BID Levy; set out the procedures for accounting and transference of the BID Levy; provide for the monitoring and review of the collection of the BID Levy; confirm the manner in which the Council's expenses incurred (if any) in collecting the BID Levy shall be paid and confirm the basis on which the BID Arrangements are to be delivered by the BID Company on behalf of the Council.

**(c) Financial implications**

For the proposed renewal ballot of the Tourism BID any development cost(s) such as surveys, printing and the ballot cost will be paid for by Visit Moray Speyside Ltd. Full details of the levy, including collection fees and any software costs associated with the administration of the levy by Taxation Team staff will be presented to committee in November 2024.

**(d) Risk Implications**

There are no risk implications arising from this report.

**(e) Staffing Implications**

The Taxation Services Team undertakes the invoicing and recovery of the BID Levy on behalf of Visit Moray Speyside Ltd. This work is done at the direction of the Chief Executive of Visit Moray Speyside. This requires the Taxation Team to maintain a BID invoicing database, updating it with changes to the properties liable to pay the Tourism BID.

The Taxation Services Team also provides regular advice to Visit Moray Speyside Ltd on the efficient recovery of unpaid Tourism BiD invoices, thereby maximizing the revenue to be obtained from the BID Levy invoices.

Much of the work which is done by the Taxation Services Team in the support of all aspects of the invoicing, and where necessary recovery, of the BID Levy and the maintenance of the invoicing database, requires user intervention. This results in this work representing a significant workload for the Taxation Services Team, with the BID charged a service fee.

Officers from Economic Growth and Regeneration shall continue to work with Visit Moray Speyside Ltd to maximise income from funding streams as they arise and assist in the development of the next Tourism BID proposal.

**(f) Property**

Moray Council have no levy liability for any property which lies within the Tourism BID area.

**(g) Equalities/Socio Economic Impact**

There are no equalities/social economic impacts arising from this report.

**(h) Climate Change and Biodiversity Impacts**

Advocating Moray and all it has to offer has the potential to increase footfall from a local and wider geographical area. Increased local footfall could result in a positive impact, with less carbon emissions through reduced travel. For travel from a wider geographical area, the promotion of sustainable travel can assist in mitigating the impact.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Equal Opportunities Officer, the Chief Financial Officer, Taxation Manager and Lissa Rowan, Committee Services Officer have been consulted and comments received have been incorporated into the report.

## **5. CONCLUSION**

**5.1 The Tourism BID has proven to be a sustainable regeneration model for Moray. It is democratic, time bound, accountable and provides a clear mandate for actions. It relies on a strong, committed and solution orientated partnership with a clear vision and leadership.**

**5.2 A successful renewal ballot of the Tourism BID will enable implementation of further actions and priorities and shall ensure a vibrant future for Moray.**

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Background Papers: Appendix 1 -  
Ref: SPMAN-813460984-532