



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 6 FEBRUARY 2024**

**SUBJECT: ELGIN 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 re-ballot for the Elgin 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 agrees to:

- i) continue the support of the Elgin BID through undertaking the re-ballot; and**
- ii) note a further report will be presented to Committee with full business plan details including the levy and any potential future financial implications for the Council.**

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.
- 3.2 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.

- 3.3 BIDs are developed and managed by the business sector with projects being partly funded through a compulsory levy, with the Elgin BID levy calculated on the non-domestic rates valuation. 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. The voting on a BID is governed by legislation, with the proposal only being able to go ahead if there is a minimum turnout of 25% of eligible voters and more than half of the businesses voting in favour; they must represent more than 50% of the rateable value of the businesses that vote. In Scotland the maximum duration of a BID is 5 years, after that it will have to secure another mandate. At present there are 33 BIDs in Scotland.
- 3.4 The first successful Elgin BID ballot took place in November 2009 with a turnout of 45% and 75.25% voting in favour, representing 72% in favour by rateable value. The renewal ballot in November 2014 had a turnout of 52.38% with 56.48% voting in favour, representing 66.53% in favour by rateable value and the renewal ballot in November 2019 had a turnout of 44.7% with 72.8% voting in favour, representing 73.76% in favour by rateable value.
- 3.5 The Elgin BID became operational on 1 February 2010 with the establishment of the City of Elgin BID Ltd comprising of a board of 14 directors representing a cross-section of businesses with 3 representatives of the public sectors within the BID area. The current board comprises 11 directors representing a cross-section of businesses with 2 representatives of the public sectors.
- 3.6 Building on the success of the previous and present City of Elgin BID, it is proposed to secure a further 5-year mandate through a re-ballot process. The request with highlights of what has been achieved during the present BID phase is detailed in **APPENDIX I**.
- 3.7 Surveys and consultation workshops with all stakeholders 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. It is planned to present the business plan including levy details to Corporate Committee on 27 August 2024. Council must decide whether to veto the BID by 18 September 2024 - 70 days prior to the ballot date.
- 3.8 **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 20 August 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 Elgin BID ballot in 2009, 2014 and 2019. The provisional dates are:
- Publish notice of the ballot by 2 October 2024
 - Ballot papers to be issued by 16 October 2024
 - Final day for voting papers to be received by 27 November 2024
 - Announcement of ballot results by 29 November 2024

4. SUMMARY OF IMPLICATIONS

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

The Elgin 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 Elgin 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 operational agreement between Moray Council and City of Elgin BID Company, 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 Elgin BID any development cost(s) such as surveys, printing and the ballot cost will be paid for by City of Elgin BID 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 May 2024

The BID Levy amount paid by Moray Council is dependent on the number of properties that it occupies within the constituency of the City of Elgin BiD Ltd. To provide some context, at the commencement of 2023-24, the Council was due to pay annual BiD Levy totalling £16,246.00

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

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

The Taxation Services Team supports the invoicing and recovery of the BiD Levy. This requires the officers of that Team to work closely with the City of Elgin BiD Ltd., ensuring invoices and reminders are issued regularly and on schedule. The Taxation Team also maintains the BiD Levy database, updating it with changes to the properties liable to pay the BiD, and provides advice to the City of Elgin BiD Ltd. on maximizing the revenue to be obtained from the BiD Levy invoices.

The support of all aspects of the invoicing, and where necessary recovery, of the BiD Levy and the maintenance of the invoicing database represents a significant workload for the Taxation Team.

(f) Property

Moray Council would be liable to pay a levy (yet to be finalised) for any property which lies within the Elgin BID area, should the re-ballot be successful.

(g) Equalities/Socio Economic Impact

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

(h) Climate Change and Biodiversity Impacts

Advocating Elgin City Centre 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 Head of Governance,

Strategy and Performance, 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 Elgin BID has proven to be a sustainable regeneration model for the City Centre. 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 The continued partnership working has enabled to attract additional investments into Elgin, which could not have been achieved by a single organisation.**
- 5.3 A successful renewal ballot of the Elgin BID will enable implementation of further actions and priorities and ensures a vibrant future for the City Centre.**

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Background Papers:
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