



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 19 FEBRUARY 2019**

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

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING & INFRASTRUCTURE)**

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 this Committee with full business plan details including levy and any potential future financial implications for the Council.**

3. BACKGROUND

- 3.1 A Business Improvement District (BID) is a business led partnership, often including local authorities, to provide additional services and initiatives which will benefit the local economy within a defined area. For traditional town centre BIDs it ranges from events, marketing, environmental improvement and transport to security.
- 3.2 BIDs are developed and managed by the business sector with projects being partly funded through a compulsory levy, which can be calculated on the non-domestic rates valuation. All tenants and, if applicable, property owners, who will be asked to pay this contribution 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. In Scotland legislation was introduced in April 2007 with 37 established BIDs and more under development.

- 3.3 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.
- 3.4 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.
- 3.5 Operating agreements between Moray Council & City of Elgin BID Ltd have been in place for both durations of the BID. It includes Moray Council's contribution of £520,000 to cover all administration costs for 10 years enabling all levy payments to be invested in projects and services. Close partnership working has led to a total investment of over £ 5.8 million for the regeneration of Elgin's town centre.
- 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 enclosed as **APPENDIX I**.
- 3.7 Surveys and consultation workshops with all stakeholders have started and further ones will take place over the next 4 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 this committee on 10 September 2019. Council must decide whether or not to veto the BID proposal following amendments if required, by 18 September 2019 - 70 days before 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 21 August 2019. It is proposed that the ballot procedure will be sub-contracted to the Electoral Reform Society, which has carried out the majority of BID ballots in the UK including the Elgin BID ballot in 2009 and 2014. The provisional dates are:
 - Publish notice of the ballot by 2nd October 2019
 - Ballot papers to be issued by 16th October 2019
 - Final day for voting papers to be received by 27th November 2019
 - Announcement of ballot results by 28th November 2019

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, also the LOIP priority of a growing and sustainable economy.

(b) Policy and Legal

The legislation which implement BIDs in Scotland are:

- The Planning etc (Scotland) Act 2006 (Part 9)
- 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

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 up dated in consultation with Legal to reflect all changes.

(c) Financial implications

For the proposed renewal ballot of the Elgin BID any development cost such as surveys, printing and the ballot cost will be paid for by the City of Elgin BID Ltd. Full details of levy including collection fees and any software costs associated with the administration of the levy by Taxation Team staff will be presented to this committee in September 2019.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

The Economic Development section will continue to work with the Elgin BID company to maximise income from funding streams as they arise and assist in the development of the next Elgin BID proposal.

(f) Property

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

(g) Equalities/Socio Economic Impact

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

(h) Consultations

The Corporate Director (Economic Development Planning & Infrastructure), the Head of Development Services, the Legal Services Manager (Property and Contracts), the Equal Opportunities Officer, the Taxation Manager, Paul Connor (Principal Accountant) 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 close partnership work has enabled to attract substantial additional investments into Elgin – none could 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.**

Author of Report: Reni Milburn, Principal Officer Economic Development
Background Papers: Proposals, correspondence and reports on file in
Environmental Services, Economic Development and
Planning Section

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