



**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE
SERVICES COMMITTEE ON 16 APRIL 2019**

SUBJECT: TOURISM BUSINESS IMPROVEMENT DISTRICT

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

1. REASON FOR REPORT

- 1.1 To seek the Committee's approval to support the ballot for a 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 agrees to:
 - (i) support the Tourism BID through undertaking the ballot; and
 - (ii) note a further report will be presented to Committee with full business plan details including any levy and 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. Whilst most Business Improvement Districts are based on traditional geographical town centres, however under the legislation it can also be on a thematic basis such as tourism.
- 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 Moray Speyside Tourism (MST) was established in 2014 and operates under the auspices of Moray Chamber of Commerce. MST is the Destination Marketing Organisation (DMO) for Moray and Speyside. The organisation's purpose is to bring more visitors to our region, positioning Moray Speyside as a world-class destination for visitors from across the globe.
- 3.4 It has been supported by Highlands and Islands Enterprise (HIE) and the Council with a six year funding package consisting of a Council contribution in total of £105,000 and £355,000 from HIE. As the funding package is coming to an end at 31st July 2019, HIE has given a further extension to the end of December 2019.
- 3.5 When the Moray Council approved the last 3 years funding request, the view was expressed that this would be the last cycle likely to be approved with MST thereafter being expected to be self-sustaining.
- 3.6 To ensure a sustainable future for tourism development, Moray Speyside Tourism is leading the development of a Tourism BID. A steering group has been formed with 14 representatives from the sector. **APPENDIX I** comprise some of the emerging proposed key activities and details with circa 420 businesses being identified as part of the Tourism BID. **APPENDIX II** provides supporting information and statistics.
- 3.7 Surveys and consultations with all stakeholders have started and further ones will take place over the next 2 months to establish the priority themes, projects and services with associated costs for the business plan and proposal. It is planned to present these documents including levy details to Council in June. Council must decide whether or not to veto the BID proposal following amendments if required, by 17 July 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 19 June 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 ballots in 2009 and 2014. The provisional dates are:
 - Publish notice of the ballot by 31st July 2019
 - Ballot papers to be issued by 14th August 2019
 - Final day for voting papers to be received by 25th September 2019
 - Announcement of ballot results by 27th September 2019

4. SUMMARY OF IMPLICATIONS

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

The Tourism BID 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.

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 create an operational agreement between Moray Council and Tourism BID in consultation with Legal.

(c) Financial implications

For the proposed ballot of the Tourism BID any development cost such as surveys, printing and the ballot cost will be paid for by MST. 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 Committee in June 2019.

(d) Risk Implications

Although the very limited grounds on which the recommendations could be refused are set out in 4b, it should be noted that the sustainability of future public sector funding for MST is unclear and that there is therefore a risk, if the bid process (rather than the way the Council chooses to vote) is not supported. In particular an alternative means of promoting and supporting tourism in Moray cannot be identified and implemented in the short term.

(e) Staffing Implications

The Economic Development section will provide support and assist in the development of the Tourism BID.

(f) Property

Moray Council would be liable to pay a levy for any qualifying property within the Tourism BID, should the ballot be successful.

(g) Equalities/Socio Economic Impact

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

(h) Consultations

The Corporate Director (Economic Development Planning & Infrastructure), the Head of Development Services, the Legal Services Manager, 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 creation of a Tourism BID will provide a sustainable model which would focus on delivering key strategic tourism development projects and services for Moray. If supported, it is democratic, time bound, accountable and provides a clear mandate for actions.

5.2 If the ballot is successful, the BID's identified key priorities so far include marketing the visitor offer, lobbying on behalf of the region, extending the visitor season, improved visitor signage, events and festivals over the next five years.

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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