

A POLICY FRAMEWORK FOR INFORMING COUNCIL SUPPORT TO BUSINESS IMPROVEMENT DISTRICTS

1. INTRODUCTION

- 1.1.** This paper presents to the Council a framework for informing Council support to Business Improvement District Scotland (BIDS) initiatives within Argyll and Bute. At the Council meeting on 28th June 2012, it was agreed that a Policy Framework to decide support for BID proposals would be developed.
- 1.2** Currently two BIDS projects in Argyll and Bute have been considered by the Council: BID4Oban; and PA23 (Dunoon area). Oban held a successful ballot on 5th October and launched its initiative on 6th November. The Council considered the PA23 Business Plan in October and delegated the approval or veto of the formal proposal to senior officers and the Leader and the Depute Leader. It is anticipated that a Business Plan for Mull, Iona and Ulva BIDS will come forward in December. Other towns are considering the merits of the BIDS initiative for their own localities.
- 1.3** Funding provided to Oban related to supporting the cost of administering the annual levy collection, in addition to a direct financial contribution and the Council's levy contribution based on its property holdings. This funding came from reserves and was built into the budget. In the case of Dunoon, should there be a successful ballot, financial support from the Council will come via the levy on its property holdings and a financial contribution from the Dunoon CHORD budget towards specific marketing activity that aligns with CHORD ambitions and plans.

2. RECOMMENDATIONS

- 2.1** The Council agrees to the policy framework in regard to:
- the proposed Council support for BIDS initiatives to be given pre-ballot;
 - the proposed Council support for BIDS initiatives to be given following a successful ballot.

3. PRE BALLOT SUPPORT

- 3.1** BIDS initiatives can apply to the Scottish Government BIDS development fund to assist reaching ballot stage. Whilst the local authority provided financial support to the first two BID initiatives for reaching ballot stage (BID4Oban and PA23) through CHORD, in order to test this innovative new model of business development in two CHORD towns, it was agreed that given budget pressures no further financial support would be provided by the local authority at the pre-ballot stage.
- 3.2** It is proposed that a member of the Business Gateway Team will be the point of contact for BIDS initiatives and the Council in relation to general co-ordination and business planning. However, other Council services will provide support to a BIDS initiative and liaise directly with the initiative on relevant technical and operational matters (i.e. Roads and Amenity Services, Customer and Support Services, Governance and Law, Strategic Finance). Before the Council provides such support there must be evidence of a credible and professional approach by the BIDS initiative to its development and demonstration of meaningful engagement and support from the local business community.
- 3.3** It should be noted that significant Council staff time is committed at the pre-ballot stage e.g. assisting the BIDS initiative in identifying properties within the BIDS area and estimating the levy amounts, providing a baseline of Council services provided within the BIDS area.

3.4 The full costs of the ballot process will be paid by the BID proposers.

4. POST BALLOT SUPPORT

4.1 Dialogue with regard to the scope and scale of post-ballot support for a BIDS initiative can proceed when officers consider the initial BIDS initiative draft Business Plan. This will allow the BIDS initiative to adjust its Business Plan prior to submission to the Council for veto or approval. Financial support will primarily come via the Council's contribution to the annual levy based on its property holdings. Where there is demonstration of need and clear strategic and operational alignment with Council ambitions and plans, in exceptional circumstances additional financial support may be available for specific BIDS activities. Each BIDS Business Case will be judged by the Council on its own merits.

4.2 Post-ballot support will be dependent on:

- the Business Plan aligning with Council's corporate objectives, Single Outcome Agreement (SOA) and Economic Development Action Plan (EDAP)
- BID activities being recognised as credible and taking a holistic approach to the area's development
- BID activities being a deliverable package of activities and the BID initiative demonstrating that appropriate management arrangements have been considered
- evidence of meaningful additional benefits to be delivered for the community
- sound governance within the BID steering group being clearly evident
- advice from BIDS Scotland / Scottish Government being considered and adopted as appropriate

4.3 Financial support will primarily come via the Council's contribution to the annual levy based on its property holdings. The list of included Council properties within the scope of the levy must be fair and logical i.e. there must be a rationale for inclusion linked to the Business Plan. It is anticipated that in most instances Council properties such as care homes, schools / educational establishments, nurseries, libraries and day care centres are excluded from the levy.

4.4 Only in exceptional circumstances will the Council consider post ballot funding that is additional to the levy on its property holding. Such funding will only be considered where there is demonstration of need and clear strategic and operational alignment with Council ambitions. Any additional support beyond the Council's levy contribution should not be used for core, administration or management costs and would not normally exceed 5% of the levy. Each BIDS Business Case will be judged on its own merits.

4.5 There is an expectation that the Council will charge an appropriate administration fee for collection of the levy on behalf of the BIDS initiative which is sufficient to cover the Council's costs, whilst recognising that each BIDS initiative will be different.

4.6 Complementary capital / revenue funding already committed by Council may be assessed as assisting/supporting the aims of a BID.

5. IMPLICATIONS

5.1 The implications for Argyll and Bute Council are as outlined in **Table 5.1** below.

Table 5.1: Implications for Argyll and Bute Council	
Policy	As contained within the paper and recommendations.
Financial	As contained within the paper and recommendations.
Legal	As contained within the paper and recommendations.
HR	The growth of BIDs in Argyll & Bute may require the Council to consider future staffing resource requirements.
Equalities	None.
Customer Service	None.

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