

# **Aberdeenshire Guidelines for BIDs (Business Improvement Districts)**

## **1. Purpose of this document**

This document sets out how Aberdeenshire Council will support business communities and development trusts initiate and develop a BID in terms of in kind and financial support. It is important that a Council wide approach is taken to all BID enquiries.

Aberdeenshire Council recognises BIDs as being a strong local partnership with a sustainable funding model that can be used to assist economic growth. BIDs enable collaboration between the Council, the Business Community, Community Groups and our 3<sup>rd</sup> Sector Partners allowing a vision to be created for a certain area or town.

## **2. Business Improvement Districts**

A Business Improvement District (BID) is a business led initiative between the local authority and the business community (although it can be local authority led) where a levy is collected from each business in the defined area. This levy is then invested collectively in local improvements, in addition to those delivered by the statutory authorities, which will be of benefit to the businesses involved whilst contributing to the wider aspirations of the local residential community and in growing the local economy.

A BID can be made up of a certain area of a town, it can take over from a development trust or business development organisation, can be themed, tourism based or industrial estate specific. The majority of BIDs in Scotland already established are town based and can be a mixture of private and public sector members.

The following support would be required from the following departments within Aberdeenshire Council in order to enable a BID to develop:

### **a) Economic Development**

In the first instance a BID enquiry should be directed to Economic Development where a liaison officer will provide support for the BID development process. The Officer will be the initial point of contact for the BID pertaining to all council matters and will act on behalf of the BID to coordinate responses or facilitate meetings with the council to aid with the development of the BID. The Council liaison Officer can provide assistance with:

- Advice on how a BID should operate
- Direction for the BID business plan
- Council database properties eligible to pay non-domestic rates within the proposed BID area.
- An operating agreement between Aberdeenshire Council and the proposed BID.
- Arrange meetings or introductions to Council Officers

Once the instigating group have a majority of businesses agreeing to pay the extra levy and they have an outline of a Business plan the liaison officer will direct them to BIDs Scotland who will advise and guide both the liaison officer and the group through the BID process.

Included in the BIDs business plan should be a comprehensive list of all the services Aberdeenshire Council offer to the BID area. This enables the developing BID to plan additional services for the BID area.

### **Working with BID Scotland**

BID Scotland will assist and give advice to both Aberdeenshire Council and the developing BID and it is essential and a requirement from the Scottish Government seed fund that all developing BIDs must attend the BID Scotland Academies to ensure all knowledge on the development of the BID is gained.

### **Creating a Web page**

One of the first stages of a developing BID once the business plan is finalised is creation of a good quality Web page which is used in the canvassing stage as well as being an important aspect to the established BID following ballot. All minutes and reports should be made public knowledge on the BID website and it can be used as an asset in the business plan for promoting the area as well as the projects being carried out.

#### **b) Planning**

The planning department should be called upon to assist with any maps that need to be prepared with for the initial stages of developing the BID and may be called on to advise if any planning permission is required for any proposed projects the developing BID wish to add to their business plan.

#### **c) Legal Services**

Once there is evidence that the BID will be established and prepare for ballot an agreement will be set up between the BID company and Aberdeenshire Council this document is called the Operating Agreement. This document will define how the BID, if successful at ballot, will interact with Aberdeenshire Council and what agreements and arrangements are decided upon by both parties. Aberdeenshire Council's legal department will draft this document, however it is the BIDs responsibility to take independent legal advice and enter into agreement.

#### **d) Finance**

Aberdeenshire Council's revenue department will act as the billing body for the collection. This will be an 'in-kind' support towards the BID and no charge will be made unless demand notices need to be issued to businesses

for levy payment. Economic Development will liaise with the revenue department to plan for this collection. Any financial and resource implications including support and administration charges for the collection will be agreed at an early stage and will be included in the Operating Agreement. Before the ballot a copy of both the BID business plan and the Operating Agreement will be issued to the revenue collection department in order for any proposals to be considered which may impact the collection or recovery of the levy.

Following a successful ballot Aberdeenshire's revenue collection department must liaise with the BID Company to:

- Agree on suitable dates for levy collection
- Issue the levy notices along with any inserts given in advance by the BID
- Transfer the levy funds over to the BID Company
- Issue demand notices for levy recovery
- Ensure levy is paid to the BID Company from Aberdeenshire Council for owned property within the BID area.

The Bid Company and Board of Directors have no legal obligation in collecting the levy it will be Aberdeenshire Council's responsibility to collect the BID levy.

#### **e) Election Services**

Taking a BID to ballot is the next stage once the project group have completed a feasibility study and are confident they have a good business backing and have a final business plan in place and once BID Scotland are happy that the outcome will be a yes vote.

Aberdeenshire's election service in close liaison with the Economic Development department will be asked to undertake the ballot. The ballot can only occur at a time suitable to the election services in order to ensure that core election duties are not compromised.

It will be the duty of the Liaison Officer to publish a public notice of the ballot in a local newspaper and to work closely with the developing BID to ensure:

- All eligible voters are identified and contacted by the developing BID. BID Scotland are fully aware of the ballot dates and have published them on their website
- The Scottish Government have been contacted

Aberdeenshire Council will declare the result of the ballot by public notice within one week of the ballot date and will write to all eligible voters and persons liable for the levy to advise the outcome of the BID ballot. Any admin costs occurred in the process of the ballot will be paid 'in-kind' by Aberdeenshire Council.

Following a successful ballot, 28 days should be allowed for an appeal process.

If a yes vote is received at ballot a non-profit Company Limited by guarantee will be established. A board of directors (not necessarily the project group) will oversee the delivery of the business plan and depending on the size of the BID a BID manager will be recruited to carry out the plan (if not already in place). The local authority's role in all of this is to support the delivery of the business plan; a council officer is required to sit on the board of directors as an observer.

The main benefit of every BID is to use the levy as a leverage to gain further funding for certain projects. The extra funding can be gained from public sector agencies, grant bodies, sponsorship, landowners and trading income. This maximises the potential funding stream during the 5 year scheme and the benefits that the BID can achieve,

#### **f) Financial Viability**

It is imperative that the BID should raise enough levies to be sustainable throughout the 5 year business plan to pay for all project proposals and the BID manager. On top of the levy extra funding should be leveraged from other grant sources where possible for individual projects in order to maximise the benefits of the BID. In order to ensure all BIDs are sustainable Aberdeenshire Council will look at supporting each BID enquiry with a levy collection of over £65,000 per annum to a maximum of 2 BIDs a year.

#### **Collating and documenting information before the ballot**

It is essential that in the lead up to the ballot that the correct documentation is in place of each consultation and who has been contacted by whom and when. All information should be collated on a spreadsheet and sent to Aberdeenshire's Liaison Officer on a monthly basis. This information may be required by Aberdeenshire's Council's should they need to defend the ballot process at a later date. All information collated during the development stages of the BID should be handed over to the Bid Board of Directors.

### **3. Creating the BID Steering Group**

A steering group should be developed in the early stages of the BID and should be made up of the liaison officer from Aberdeenshire Council and high profile ambassadors who will not be paid for their role on the steering group and who are not guaranteed a place in the BID board if successful at ballot. The steering group will play a large part in creating and approving the BID business plan and also canvassing to ensure they get as many businesses on board.

The steering group should have at least 6-8 members at first which should grow as the Bid develops to 10-12 members. There should be

representatives from different business sectors and a balance between independents and large national retailers. It is also important to try and ensure that members are chosen to the advantage of the BID e.g if at all possible it is great to have an accountant and a lawyer as members of the steering group. Once established the group should elect as office bearers a Chair, Vice Chair, Secretary, a treasurer and a minute taker should be available at every meeting.

The developing BID should be aware that there may well be local resistance to joining the BID and paying the levy, therefore as much should be done as possible from the early stages to engage with all businesses within the proposed BID are to ensure as many are on board as possible. The business plan should also take this into consideration ensuring that the projects planned for the first few months are achievable and can be delivered efficiently and quickly in order to demonstrate the return on investment for levy payers.

The steering group will also be responsible for the appointment of a BID manager (in smaller BIDs this may be a part-time post). The BID manager will oversee the consultation with the businesses and plan for the ballot and will organise monthly meetings for the steering group to attend in order to ensure progress is made with the BID development.

#### **4. Further Funding**

Aberdeenshire Council have chosen to assess whether they support each BID enquiry on a one to one basis and will make their decision on the basis of the financial viability and outcomes of each proposed BID. They will also assess on a one to one basis whether extra financial or in-kind support is offered to individual projects that seek match funding.