

THE HIGHLAND COUNCIL

24 OCTOBER 2013

Agenda Item	13
Report No	HC/46/13

LOCHABER TOURISM BUSINESS IMPROVEMENT DISTRICT

Report by the Corporate Manager

Summary

This report provides a summary of the proposals being made by the Living Lochaber Business Improvement District Steering Group (LLBID) in its attempt to establish a Tourism Business Improvement District (TBID) for Lochaber. The report further explains the Council's involvement in the process and the benefits and resource implications for the Council in supporting the TBID by voting in favour at the Ballot.

1.0 Introduction

- 1.1 A Tourism Business Improvement District (TBID) is a business led initiative where businesses work together and invest collectively in local services and improvements in their business environment. A TBID is funded by businesses through a levy calculated on their respective non-domestic rates valuation. The resulting improvements and services are additional to those provided by public sector organisations such as the local authority, enterprise agency or VisitScotland. A TBID is only introduced once it has been put to a democratic vote involving all eligible businesses. A turnout of at least 25% of eligible business by both number and rateable value is required. For the ballot to be successful at least 50% of all businesses voting (by number and rateable value) must indicate support.
- 1.2 Living Lochaber – a business led organisation, is the first grouping in Scotland to initiate a sectoral Tourism BID process and has over the past year been active in developing a proposal for the whole of the Lochaber area. Strongly driven by Fort William Chamber of Commerce and the Outdoor Capital of the UK, the ballot will take place on 12th December 2013. If successful, the TBID Steering Group will establish a not-for-profit Company Limited by Guarantee with Directors elected from within the business community. The term would run for five years from January 2014 at which point there would be a re-ballot to determine whether a further term is desired.
- 1.3 The LLBID has decided that tourism is everyone's business, therefore all businesses with a rateable value of £2,000 and over will be included in the TBID. Almost 1,000 properties fall in to this category and it is estimated that a total of £1.8 million would be raised from business levies over the five year period. In order to reflect the differing levels of benefit which accrue to different types of business, the LLBID has decided to set the levy under three different bands as follows - Tourism and Retail / Commercial / Education and Well-being

1.4 The Council has a formal role in relation to BIDs as follows:

Levy Collection

Highland Council has a statutory duty to collect the BID levy and this is governed by an Operating Agreement which sets out the roles and responsibilities. The Levy amounts to approximately £360,000 of income in each financial year.

Service Provision

The TBID must demonstrate that it is adding value to what the businesses pay in non-domestic rates. This is evidenced with a Baseline Services Agreement between the Council and the BID.

2.0 **Decision-making Process**

2.1 The Planning etc (Scotland) Act 2006, Part 9 – Business Improvement Districts, gives the Council the Power of Veto over a BID proposal but only on grounds defined in the legislation. The Planning Environment and Development Committee considered the TBID proposal at their meeting on 18 September 2013. It was considered that on the basis of the draft BID proposal submitted, there are no grounds for the Council to exercise its veto. The committee did not however consider the merits of the BID Business Plan.

2.2 Unfortunately at the time the Lochaber Area Committee met on 26 August 2013 the TBID Business Plan was not available for discussion. However, the Committee generally welcomed the proposal to develop a TBID as the BID concept had worked well in other areas.

3.0 **Living Lochaber TBID Business plan**

3.1 The final Business Plan is the result of consultation with the majority of businesses with a rateable value of £2,000 and over and comprised mail-outs of initial thoughts and ideas, asking for additional/contrary views. This has been supplemented with a significant number of local meetings throughout Lochaber plus e-mail updates and web presence. Each of these methods has sought responses and comment.

3.2 The Plan, which can be accessed at <http://www.livinglochaber.co.uk/wp-content/uploads/2013/09/Living-Lochaber-Business-Plan.pdf> reflects the current aspirations of the business community and is broken into four main sections as follows:

- improvements to infrastructure
- support and develop local events
- strong, effective marketing
- create a better environment for business

3.3 Improvements to Infrastructure – create a multi-use venue in Fort William incorporating a multi-screen cinema / digital media centre; provide new launching facilities for sailing / kayaking throughout Lochaber; join up walking routes to ensure Fort William remains a hub; enhance the experience of visitors by

improving signage and facilities at 'must-see' attractions

- 3.4 Support and develop local events – improve marketing of events online and in print including provision of an on-line event planner; develop the number of events being held; expand range of events throughout Lochaber; create an annual Celtic Paddle Festival
- 3.5 Strong effective marketing – undertake sustained and professional e-mail marketing campaigns with seasonal incentives etc; create an on-line itinerary planner; create and support a range of marketing initiatives which highlight the range of natural environments available in Lochaber; work with local photographers to build a resource of high quality stock images and videos which show Lochaber to its advantage and which will be made available to Lochaber businesses
- 3.6 Create a better environment for business – offer Lochaber businesses preferential purchasing deals negotiated by BID Scotland; develop, co-ordinate and promote preferential terms between Lochaber businesses; work with UHI to ensure practical, realistic and meaningful benefits to local business; support the new Lochaber Ideas Week to ensure it becomes an annual event

4.0 **Links with the Council's Programme**

- 4.1 The Highland Council's programme includes the commitment "Working with the Scottish Government, Highlands & Islands Enterprise and private sector partners, the Council will maximise the tourism potential of the Highland area." Most of the Council's direct tourism work with the private sector currently involves working with business organisations and destination groups such as Outdoor Capital of the UK. At present many such groups have little or no guarantee of future funding and are fairly heavily dependent on public sector grants so the creation of a sustainable tourism group for the area is desirable and the creation of a Tourism BID is one way of achieving this. The Council is also one of the partners developing a tourism action plan for the Highlands which, in its latest draft indicates "there is however a need for additional activity by the Highland Tourism Partnership and its partners from both the destinations and the public sector. This additional activity needs to focus on providing support to tourism businesses and increasing the level of collaboration between businesses and destinations"- something a Tourism BID could play a valuable role in delivering.

5.0 **Resource Implications**

- 5.1 In addition and in line with existing arrangements, the Chief Executive's Office will absorb the costs of running the Ballot (estimated at £3,300) within the existing elections budget.
- 5.2 If the TBID ballot delivers a positive outcome, the anticipated annual levy payable by Highland Council will be approximately £12,871 based on current property interests. Over the five year period this will be approximately £64,355.

6.0 **Legal, Climate Change, Carbon Clever or Equalities Implications**

6.1 There are no known legal, climate change, carbon clever or equalities implications.

Recommendation

The Council is invited to:

- (i) note that the Planning Environment and Development Committee, at its meeting held on 18 September 2013, confirmed that there are no good grounds for the Council to exercise its statutory power to veto the BID proposals;
- (ii) note that Lochaber Area Committee, at its meeting held on 26 August 2013, generally welcomed the proposal to develop a TBID as the BID concept had worked well in other areas; and
- (iii) agree to instruct officers to enter a vote in favour of a 5 year term from 1 January 2014 for the Living Lochaber TBID.

Designation: Corporate Manager

Date: 9 October 2013

Author: Dot Ferguson, Senior Ward Manager, Ross, Skye and Lochaber