

Agenda Item	7
Report No	RC/026/19

HIGHLAND COUNCIL

Committee: Ross and Cromarty Committee

Date: 14 August 2019

Report Title: Dingwall Business Improvement District - Update

Report By: Acting Head of Policy

1. Purpose/Executive Summary

- 1.1 This report provides an update of the “Dingwall Means Business” Business Improvement Steering Group’s proposals to establish a Business Improvement District (BID) for the Town of Dingwall.
- 1.2 The report also outlines the Council’s involvement and support for the process to date and sets out the benefits for the Council and for Dingwall in supporting the BID by voting in favour of the ballot.
- 1.3 The report outlines the next steps for taking forward the Dingwall BID.

2. Implications

- 2.1 **Resource** - There are no resource implications for the Council regarding the introduction of a BID for Dingwall. This does not replace any statutory services that the Council provides. The Council will undertake the ballot on behalf of the BID but all costs will be met by Dingwall BID.
- 2.2 **Legal** - The process for the development of a BID and the statutory role of the Local Authority are prescribed in the Planning etc. (Scotland) Act 2006, Part 9 – Business Improvement Districts. The legislation gives the Council the Power of Veto over a BID proposal, requires the Council to consider a BID proposal within a prescribed period and requires the Council to give notice that it is or is not going to veto the proposal and set out its reasons why.
- 2.3 **Community** – Dingwall BID have undertaken a series of public consultation sessions to inform the development of the BID. This is required as part of the legislative process for establishing a BID and is a consideration as part of the Council’s right of veto. The Council is satisfied that appropriate consultation has been undertaken.
- 2.4 There are no Climate Change / Carbon Clever, risk or Gaelic implications arising from this report.

3. Recommendations

3.1 Members are asked to:

- note the proposals for the establishment of a Dingwall Business Improvement District;
- note that, as per agreement of EDI in May 2019 the Director of Development and Infrastructure, in consultation with the Chair of EDI, have determined that there is no reason for the Council to exercise its power of veto on the proposals; and
- note the next steps for the establishment of the Dingwall Business Improvement District.

4. Introduction

4.1 A Business Improvement District (BID) is a business led initiative where businesses work together and invest collectively in local services and improvements in their business environment. A BID 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.

4.2 A BID is only introduced once it has been put to a democratic vote involving all eligible businesses. To be introduced at least 50% of all businesses involved must be in support of the BID and they in turn must represent more than 25% of the rateable value of the BID area.

4.2 Over the past eighteen months a business led steering group has been active in developing a BID Proposal for Dingwall. This process is still under way and we are advised that the intention is for a BID ballot to take place toward the end of the year.

4.3 Any BID projects and improvements are new and additional and are over and above those provided by statutory authorities. They do not seek to replace services that are already provided by the Highland Council and other statutory bodies.

4.4 The Council has a formal role in relation to BIDs with regard to:

4.4.1 **Establishment of a BID** – Local Authorities have to scrutinise any BID process to ensure fairness to businesses involved. This includes Local Authorities having a “Right to Veto”. The circumstances in which the Local Authority can use the right of veto are prescribed in the legislation and essentially these relate to whether or not the BID proposers have undertaken the process properly. The right of veto does not relate to the merits or otherwise of the BID proposal or business plan.

4.4.2 **Service Provision / Added Value** – It is fundamental to the role of a BID that it shows that it is “adding value” to what businesses pay in Non-Domestic Rates. This is evidenced by a “Baseline Agreement” between the Council and the BID (an agreement which is reviewed on an annual basis).

4.4.3 **Levy Collection** – the Council will undertake this role for Dingwall BID. This is governed by an Operating Agreement which sets out the roles and responsibilities.

5. Dingwall BID

- 5.1 Dingwall and Seaforth Members have been updated regularly on the progress of the BID and Cllr Graham MacKenzie nominated to represent the Council on the Steering Group. A well-received presentation was given to Dingwall and Seaforth Members on 8 July 2019 by the Chair of “Dingwall Means Business” outlining the proposed Dingwall BID, during which it was explained that BIDs had been established in Scotland to bring together local businesses and statutory authorities to drive economic sustainability through partnership working. An overview of the BID Proposal and the 5 year Business Plan for Dingwall was provided, and it was highlighted that the first phase included the set-up of a local steering group to help shape the vision and framework for the Dingwall BID. Details were provided of the Dingwall BID website www.dingwallbid.com. It was explained that this would act as a business portal and communication channel for interested parties.
- 5.2 The prospect of a BID for Dingwall was welcomed by Dingwall and Seaforth Members and Members looked forward to working with Dingwall BID in the future.
- 5.3 The main objectives identified by Dingwall BID from public engagement and survey results were as follows:
- (i) Encourage new Businesses to the Town
 - (ii) Free Parking and Traffic Management
 - (iii) Marketing and Promotion
 - (iv) Clean and Attractive
 - (v) Lobbying and a strong Business Voice
 - (vi) Safe and secure
- 5.4 The Dingwall and Seaforth and Black Isle Ward Manager, finance and elections team officers and members of the Economy and Regeneration team have worked closely with the Dingwall BID team throughout the process to ensure that the BID proposers have had all the appropriate support from the Council.
- 5.5 “Dingwall Means Business” BID have submitted all necessary documentation to the Council.

6. Decision making process

- 6.1 A report was taken to the Environment, Infrastructure and Development Committee on 16 May 2019 which delegated authority to the Director of Development and Infrastructure in consultation with the Chair of the Environment, Development and Infrastructure Committee, to undertake the assessment and conclude whether the right of veto needs to be exercised or not.
- 6.2 An assessment of the BID proposal against the prescribed circumstances as set out in the Planning etc. (Scotland) Act 2006 and associated Business Improvement Districts (Scotland) Regulations 2007 is set out in **Appendix 1**. This concludes that there are no grounds for the Council to exercise its right of veto and Dingwall BID will be written to on that basis.

7. Next Steps

- 7.1 Dingwall BID are now awaiting confirmation and approval from the Scottish Government to proceed with their proposals. This is required as part of the formal process. The Scottish Government will also advise the Local Authority of any comments and suggested amendments to the documents the Bid has submitted.
- 7.2 Following confirmation from the Scottish Government, Dingwall BID will be required to formally advise the Council of their intention to hold a ballot and request that the ballot is undertaken by the Council on their behalf. The anticipated date of any ballot is the end November 2019.
- 7.3 A verbal update will be provided to the Committee on 14 August 2019 regarding progress of the BID.

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Author: Diane Agnew, Ward Manager
Dingwall and Seaforth and Black Isle

Date: 5 August 2019

**APPENDIX 1:
Dingwall Business Improvement District Proposal
Assessment of Proposal against the Council’s Power of Veto**

The Planning etc (Scotland) Act 2006, Part 9 – Business Improvement Districts, gives the Council the Power of Veto over a BID proposal and ensures that no ballot shall be held. The local authority is required to consider a BID proposal within the prescribed period - 70 days before the ballot date (in the circumstances of the Dingwall BID proposal this must be by Thursday 22nd August 2019) and give notice that it is or is not going to veto the proposal.

- If exercising a veto the local authority must set out the reason why and give details of the right of appeal.
- If not exercising a veto then the local authority must set out its reasons for not doing so.

The circumstances when a local authority can exercise its veto are prescribed in the Act and the Business Improvement Districts (Scotland) Regulations 2007. This assessment is structured around these prescribed circumstances.

Planning etc (Scotland) Act 2006	
The prescribed circumstances are that the local authority consider that the BID proposals are likely:-	
42 (4)(a)	<p><i>‘to conflict with any structure plan, local plan, strategic development plan or local development plan which has been approved or adopted under the principal Act and which applies to the proposed business improvement district or any part of it’</i></p> <p>The ambitions of the Dingwall BID do not include physical developments but do include ambitions to improve the sense of place and vibrancy of the town. This complements the aim to “strengthen the role of Dingwall as the county town of Ross-shire” outlined in the Inner Moray Firth Local Development Plan. A number of the areas of activity proposed will also support the broader principle of protecting town centres as outlined in the development policies of the Highland-wide Local Development Plan. None of the actions proposed in the draft BID business proposal conflict with these plans.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>
42 (4)(b)	<p><i>‘to conflict to a material extent with any policy formally adopted by and contained in a document published by the authority (whether or not the authority are under a statutory duty to prepare such a document)’</i></p> <p>As outlined above there are not considered to be any conflicts with Council policies or plans.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>
42 (4)(c)	<p><i>‘to lead to a significantly disproportionate financial burden being imposed on-</i> <i>(i) any person entitled to vote in the ballot on the proposals</i> <i>(ii) any class of such person,</i> <i>as compared to other such persons or classes</i></p>

The BID proposal states that the levy rate will be a fee structure based on the rateable value of the property at the time of the ballot and throughout the 5-year term of the BID. All businesses within the defined area and in defined sectors with a rateable value of £2,000 or more will be liable to pay the BID levy with the levy paid by the occupier or the property owner where a property is vacant.

Levy threshold

The levy threshold of £2000 lies within the range used by other BIDs in Highland and neighbouring parts of Northern Scotland where some BIDs have no lower threshold and so all businesses pay a levy. This reflects the nature of the town with many small businesses but also ensures the smallest are exempt.

The scale of charges proposed, and in particular the range of bands included (8 bands) and the step-up approach to defining the levy amounts recognises variations in the size of businesses and ability to pay. The total annual levy varies from £250 for the smallest businesses to £2,800 for the largest and this will be fixed for the 5-year term. The entry level of £250 is high in comparison with some other BIDs but this in part reflects that fact that many businesses are exempted via the £2000 rateable value threshold described above. While it is difficult for the Council to determine if these charges have been fixed at the right level, the BID proposers have proposed a levy structure that recognises and reflects these issues. Accordingly, it is fair to conclude that the levy structure proposed does not seek to impose a significantly disproportionate financial burden on any person, business or sector.

Accordingly, there is no reason to exercise the Council’s right of veto.

Business Improvement Districts (Scotland) Regulations 2007

The prescribed matters to which the local authority shall have regard in deciding whether to exercise its veto are:–

14 (2)(a) *the level of support (as evidenced by the result of the BID ballot or re-ballot, as the case may be) for the BID proposals, where this information is available;*

As no ballot has yet taken place support cannot be evidenced by the result of a BID ballot. However, the evidence provided in the form of the consultation undertaken and the support demonstrated from a cross section of businesses suggests there is a degree of support for the formation of a BID.

Further canvassing by steering group members is under way at present but in advance of the date this report was compiled two business events had been held on 7th & 8th of May 2019 as well as a workshop with Business and Community groups from Dingwall on 17th June 2019.

As of 3rd July 2019, surveys had been issued to all 244 of the expected levy payers with 62 responding (25%). Additionally, steering group members have had one to one discussion with 58 businesses (24% of the expected electorate of 244 businesses) of which 39 have indicated they would be likely to vote in favour of a BID (67% of those consulted and 16% of the expected electorate).

	<p>While the support demonstrated to date does not indicate whether or not a ballot would be successful, there are no grounds for the Council to prevent the proposal going to ballot by use of its power of veto.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>
14 (2)(b)	<p><i>‘the nature and extent of the conflicts mentioned in 42(4) of the 2006 Act’ (i.e. with any policy formally adopted by and contained in a document published by the authority)</i></p> <p>As outlined above there are not considered to be any conflicts with Council policies or plans.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>
14 (2)(c)	<p><i>‘the structure of the proposed BID levy and how the financial burden of the business improvement district is to be distributed amongst ratepayers and other eligible persons in the geographic area of the business improvement district’</i></p> <p>As outlined above the BID proposers have proposed a levy structure that is not expected to impose a disproportionate financial burden on any person, business or sector.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>
14 (2)(d)	<p><i>‘how the financial burden of the business improvement district may have been disproportionately distributed among ratepayers and the other eligible persons as a result of the selection of the geographic area or areas of the business improvement district’</i></p> <p>The scale of levy charges is to be applied equally across the whole area with no geographic variation. Based on consultations with businesses the geographic area to be covered by the BID has been defined and is described as “a diminished version of the Dingwall & Seaforth Ward Boundary which would allow the uptake of all 3 main entry / exits to the town”</p> <p>A business plan has been supplied to the Council as part of the BID proposal and this outlines the range of activities to be undertaken by the BID. These activities are grouped under four themes: -</p> <ul style="list-style-type: none"> • Business Facilitation • Presentation & Identity • Accessibility • Marketing and Promotion <p>Clearly not all businesses will gain identical benefits but, as the business plan contains a broad range of projects and services this would be expected to provide some benefits across the BID area and the approach of charging the same levy in all areas could therefore be considered appropriate.</p> <p>Accordingly, there is no reason to exercise the Council’s right of veto.</p>

14 (2)(e)	<p><i>'the extent to which the BID proposer discussed the BID proposals with the authority before submitting the BID proposals to the authority ...,'</i></p> <p>An early presentation on the proposed BID was given to the meeting of the Dingwall and Seaforth Ward Councillors on 19 March 2017. One elected member - Cllr. Graham Mackenzie was subsequently nominated to represent the Council on the Steering Group and has both attended the steering group and been regularly updated by the BID Chair and Project Manager on the thinking of the Steering Group. Dingwall and Seaforth Members were invited to attend the first BID meeting. Further meetings with the Dingwall and Seaforth Councillors took place on Monday 15 April 2019 and Monday 8th July to update Members on progress with the BID proposal.</p> <p>The Council's Ward Manager and staff from the Economy & Regeneration, Finance, Elections and Assessors teams have all been involved in meetings or discussions with the BID proposers in the development of the BID proposal.</p> <p>Accordingly, there is no reason to exercise the Council's right of veto.</p>
14 (2)(f)	<p><i>'the cost incurred by any person in developing the BID proposals and canvassing in relation to the BID proposals'</i></p> <p>The BID proposal has been put forward by the BID steering group which includes a sectoral spread of business representatives. The Steering group has received grant aid from BIDs Scotland, The Highland Council and Highlands and Islands Enterprise towards the cost of developing the BID proposal but no individual business or person has had to incur costs related to developing the BID proposals.</p> <p>Accordingly, there is no reason to exercise the Council's right of veto.</p>