

Notes from Meeting on Tuesday 1st Jun at 3pm to understand the BID process

Present: Colin Simpson & Phil Tomalin THC, Jim McGillivray (THC & DACIC), Neil Hampton (RDGC & DACIC), Joan Bishop (DACIC)

What is a BID?

Becoming a BID is a legislative process which is therefore open to legal challenge if not followed correctly, so a robust approach is required.

When deciding on geographical area and business sector, it is important to understand the needs of the businesses included, so there is a clear reason for them to support the BID. During the consultation be flexible, listen to concerns and be willing to change the business plan if required. Some considerations are:

- Where to cap minimum RV for membership (but opt in membership for those 'missed out')
- For rented shop is levy paid by user or landlord or split?
- You can decide to exclude sectors (e.g. schools) if no benefit

Timetable to become a BID

The usual timeframe is 18 months to 2 years which includes fixed time slots for consultation with the Council which has the power of Veto. This is to allow for the calendar of committee and full council meetings required to ratify decisions prior to the ballot. The 2022 calendar of meetings is published in December 2021.

Consultation

Autumn and winter consultation would be preferable for tourism businesses. DACIC may have a shorter time frame as there is already a business group of 95 members used to consultation. However, a number of factors contribute to successful consultation and ballot result.

- Evidence is required – who attended, when & where and notes of discussion
- Be able to demonstrate open access to consultation (different venues, times, one to one and group)
- As well as paid staff, business BID champions spreading the word and their enthusiasm
- Feeding into a relevant business plan that addresses identified needs (e.g. post COVID & Brexit issues)
- Evidence should include all mediums including What's App, Facebook, email, newsletters

Council's Role

The Council's role is to support, but the details of the levy and business plan are for the BID group to decide. However, the Council does have the power of Veto, although it has not used it to date. Circumstances where the use of the veto is allowed are defined in the legislation and are largely around the process being followed properly, not the merits of the business plan. For example, the levy must be seen to be fair to all.

THC previously paid the ballot costs, but this is no longer the case due to budget restrictions. However, they be able to provide some financial assistance as part of the overall package if a clear case is made.

The draft business plan must be shared with the Council and clear links made to benefits to be gained by the BID members.

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If the Council has properties included in the BID, then it has a vote for each such property as any other business. The appropriate committee would be responsible for deciding their position on the vote. For leisure and libraries, the vote would be decided by Highlife Highland.

Having the local member on the BID board as DACIC has, is recommended. Presentations of plans and progress at Ward business meetings are also encouraged. Any decisions taken would be at the open Area Committee meetings with paper presented by Phil Tomalin. For main committees and full council meetings the papers would be prepared by Colin Simpson.

If the ballot is successful, a baseline services agreement is signed. This is:

- Part of the legislative process
- Confirms the services the Council currently provides
- May involve other public sector organisations e.g. NatureScot
- To allay concerns the BID members are paying for statutory Council provisions. For example, street cleaning standards will be detailed and if BID want to pay for something over and above it is clear who is doing what.
- This is established at the start of the 5 year life of the BID – but there may be changes!

Ballot

The Council has advised costs of £7,500 + VAT for the ballot based on previous experience of using the Electoral Reform Society. Other registered ballot organisations would be considered (DACIC to pursue other quotes). DACIC has not allowed for this funding in grant applications to date but will approach HIE for potential assistance. 25% of those eligible to vote must do so for the ballot to be competent. 50% of the properties voting (head-count) and 50% of the total rateable value of those properties voting is needed to carry the vote. Businesses with multiple properties get a vote for each property.

Levy

The Council and the Assessor will propose a fee for collection of the levy- current estimate is £4,000 based on other BIDs. However, this includes the Council's enforcement role to pursue bad debts i.e. the BID gets all monies due, typically front loaded to a major download of funds in May.

When deciding on the levy (e.g. by banding) it must be fair. DACIC's proposal to reduce charge for charities may be open to challenge (e.g. by dress shop next door to charity shop).

When up and running

Engagement between the Council and the BID continues as the business plan is implemented. The support of the Council gives BID members confidence.

Most BIDs see the levy as the initial 'kitty' and then use this as match funding e.g. for RTIF, TCF, HCCF

For example, Nairn BID aims to double its income through match funding. This is a selling point to BID members making their contribution go further and achieve more.