
TWEED VALLEY TOURISM BUSINESS IMPROVEMENT DISTRICT PROPOSAL

**Report by Executive Director
EXECUTIVE COMMITTEE**

20 August 2019

1 PURPOSE AND SUMMARY

- 1.1 This report outlines the Tweed Valley Tourism Business Improvement District (BID) Proposal, which has been developed by a local business group, Tweed Valley Tourist Consortium (TVTC). The report highlights the role of the Council and its contribution and recommends appropriate support.**
- 1.2 The Tweed Valley BID Steering Group has developed an exciting vision for the future of tourism in the Tweed Valley. The BID business plan has a clear objective of growing a strong, sustainable tourism industry in the Tweed Valley. The Steering Group has engaged with a wide range of businesses during the consultation process and understands the ambitions of local businesses to develop and grow.
- 1.3 The key aims of the Tweed Valley Tourism BID are to
1. Develop the Tweed Valley into a world-class activity destination
 2. Ensure the long-term sustainability of tourism in the area
 3. Improve the visitor experience
 4. Increase the number of visitors
 5. Give visitors more reasons to stay longer and spend more
 6. Help create local jobs

The BID levy will provide an estimated income of £350,000 over 5 years to deliver a range of tourism development and marketing activity, potentially supplemented by other external funding opportunities.

2 RECOMMENDATIONS

2.1 I recommend that the Executive Committee:-

- (a) Supports the Tweed Valley Tourism BID and notes the intended 14 November 2019 ballot date;**
- (b) Agrees that the Council's Democratic Services team manages the BID Ballot process and the Council's Customer Service Team provides the financial management of the BID levy on the basis of full cost recovery;**
- (c) Notes the financial implications of £280 per annum for the Council for their BID Levy contributions and agrees to support the BID initiative with a 'Yes' vote for the Council's respective property; and**
- (d) Agrees that a local Elected Member is nominated to represent the Council on the BID Levy Board, along with a Council officer for advisory support.**

3 BACKGROUND

- 3.1 Business Improvement District (BID) initiatives are promoted by the Scottish Government to support sustainable economic growth. The BID model, led by the private sector, stimulates partnership working to enable investment in improvements to the local business environment, while contributing to the wider regeneration of the local community. BIDs can focus on a specific geographical area or thematic sector and have been developed in town and city centres, tourism areas and business parks.
- 3.2 There are over 40 operating BIDs across Scotland, providing a substantial input to Scotland's growth and economic development. A national review in September 2016 indicates that £41.3 million has been invested as a result of the BID levy since 2008 and has leveraged in over £19.6 million of additional investment. BIDs have also added 80 directly created jobs generating a Gross Value Added (G.V.A.) of £3 million. These figures are anticipated to rise over the next five years as further BIDs become operational.
- 3.3 A BID is established through a series of steps:
- 1) identifying the BID area;
 - 2) identifying key issues for businesses within that area;
 - 3) drafting a five year business plan with relevant actions and levy contributions;
 - 4) in-depth consultation with businesses on the business plan;
 - 5) finalising the business plan;
 - 6) a ballot to vote in favour, or not, to adopt the BID approach and deliver the business plan. Businesses within the proposed BID area must vote in favour of it before a BID can be established.
- 3.4 The key principle behind BIDs is that local businesses pay an additional levy on top of their normal Non-Domestic Rates (NDR) bill. Each person liable to pay the BID levy will be able to vote to support the BID or not. The interests of both large and small businesses are protected through a voting system that requires a majority for both the number of votes cast and the rateable value of votes cast. If a BID ballot is successful, the BID business plan will be implemented over a five-year period. Businesses then have the choice to progress a BID for a further five years through the same ballot process.

4 TWEED VALLEY TOURISM BUSINESS IMPROVEMENT DISTRICT

- 4.1 The Tweed Valley BID Steering Group is led by local businesses seeking to further promote the area, encourage longer stays, and generate a higher spend from those who visit. The BID opportunity was initiated by the proactive local marketing group Tweed Valley Tourist Consortium (TVTC) based on the successes of the Loch Ness Tourism BID in Inverness-shire (currently in its second BID term). The Tweed Valley BID Steering Group has developed an exciting vision for the future of tourism in the Tweed Valley. The BID business plan has a clear objective of growing a strong, sustainable tourism industry in the valley. The Steering Group has engaged with a wide range of businesses during the consultation process and understands the ambitions of local businesses to develop and grow. The key aims of the BID are to:
- Develop the Tweed Valley into a world-class activity destination
 - Ensure the long-term sustainability of tourism in the area
 - Improve the visitor experience
 - Increase the number of visitors

- Give visitors more reasons to stay longer and spend more
 - Help create local jobs
- 4.2 The Tweed Valley Tourism BID covers a core area that extends east from West Linton and Stobo, following the River Tweed as far as Selkirk (but NOT overlapping with the current Selkirk Town Centre BID). There are 103 businesses included, all of which operate in one of the following tourism-related sectors:
- Accommodation
 - Visitor attractions
 - Activities
 - Galleries and museums
 - Events and festivals
 - Restaurants/cafes
 - Transport services
 - Activity-related retailers (such as bike shops)
- 4.3 The Steering Group anticipates the BID levy will provide an estimated £70,000 per annum with an overall income of £350,000 over the five year lifetime of the BID. The Tourism BID offers a financially sustainable model that will help to invest in and deliver on five key priority areas:
1. Comprehensive destination marketing and promotion
 2. Creating a broad mix of events and festivals throughout the calendar year
 3. Improving the area's tourism infrastructure (including creating new visitor experiences)
 4. Targeting corporate tourism (from meetings to incentives, conferences and exhibitions)
 5. Providing strong business support and advocacy

On a successful ballot, and once elected, the BID Board of Directors and BID management team will proactively seek match funding and other in-kind support for specific projects from public bodies, lobby on behalf of local businesses and work jointly with other tourism groups for the benefit of the Tweed Valley.

- 4.4 The Tourism BID Steering Group has agreed a banded scale of levy fees as an equitable way of ensuring that all tourism businesses, including those owning multiple properties, participate in and contribute to the Tourism BID. The threshold RV level has been set at £2,000. Activity and tour businesses without premises, or below the RV threshold of £2,000, but which would still like to participate in the Tourism BID, will be able to pay an 'opt-in' fee that will be commensurate with that paid by levy-paying businesses. Non-tourism-specific businesses can also opt in as sponsors or supporters as part of their wider corporate social responsibility commitments.

<i>Rateable Value</i>	<i>Annual Charge to business</i>
Less than £2000	Voluntary by donation
2-10k	£280
10-20k	£490
20-30k	£630
30-50k	£910
50-80k	£1,120

80-100k	£1,540
100-150k	£2,800
150-200k	£3,500
200k +	£4,200

- 4.5 At the 98 day formal submission of the Proposal to the Scottish Government and Council on the 8 August 2019, a significant level of business consultation had progressed. In early 2018 consultation took place with a small number of businesses. This was designed to gauge likely response to the idea of a BID and to get a feel for common areas of concern, it was felt that the BID represented a sustainable model for the creation of a destination level tourism organisation.
- 4.6 A comprehensive survey was sent by email to businesses in April 2018. Of the surveys issued (173) - 36.42% were returned and this Survey Monkey consultation was supported by one-to-one consultation with 69.09% of businesses. The overall aim of the consultation was to assess opinions on ways to enhance and improve the BID area and give more incentive to visit and invest in the town centre. The results of these surveys and consultations have been combined and form the basis of the Business Plan and BID Proposal. A refreshed brand and website was launched in July 2018 www.GOTweedvalley.co.uk
- 4.7 Three public meetings were held in October 2018, January 2019, and July 2019 where 35 businesses attended. By the Spring of 2019, the information gleaned from the launch event, survey responses, and 1:1 consultation allowed the Steering Group to identify six key areas on which to focus the Business Plan. A draft business plan was launched during the first week of April 2019 on the website and by email. 300 hard copies were printed and distributed to businesses and relevant community organisations with intensive consultation taking place throughout April, May and June 2019
- 4.8 One-to one consultations with businesses representing 69.09% of the electorate have taken place to date. There are indications from the business community that a BID will be looked upon positively: 36 (35%) businesses including some of the larger hotels and businesses are supportive of the BID.
- 4.9 For a ballot to be valid, at least 25% of the persons entitled to vote, must do so and this must represent at least 25% of the total RV of the properties. For a successful ballot, the BID Proposals must receive the support of more than half of those who vote, and also more than half of the rateable floorspace. For the Tweed Valley Tourism BID, this means that a minimum of 25 (25% of 103) people/ properties must vote and this must represent 831,625RV (Total RV 3,326,500) of properties.

5 SUPPORT FROM SCOTTISH BORDERS COUNCIL

- 5.1 Officers from Scottish Borders Council and BID Scotland have provided advisory and financial support during the BID development process.

5.2 BID Ballot Process

The Tweed Valley Tourism BID ballot date is set for 14 November 2019. It is proposed that the Council's Democratic Services team will manage the ballot process. The format for the ballot is set out in statutory instruments. The costs involved in the ballot would be an in-kind contribution from the Council towards the BID proposal.

5.3 **BID Levy Collection/ Financial Management**

The levy collection process is usually managed by the relevant local authority in conjunction with the collection of Non Domestic Rates. The Council's Customer Services team has been liaising with the Tweed Valley BID Steering Group and a draft Operating Agreement has been developed. This outlines the key principals and protocols for managing and delivering the service. Estimated costs to deliver this service by the Council are £5,200 per annum. It is proposed that the Council will provide the levy collection service at full cost recovery.

5.4 **Council Liabilities & Voting Rights**

The Council has only one property within the proposed BID area, the John Buchan Museum in Peebles and are therefore, liable to pay the business levy if the ballot is successful. The total BID levy is calculated at £280 per annum (the lowest levy rate). As a property owner in the BID Area, the Council has the opportunity to vote in the ballot. Officers recommend that the Tweed Valley Tourism BID proposal should be supported by the Council as the business led initiative will contribute positively to tourism activity in the Scottish Borders. It is recommended that 'Yes' votes should be returned by the Council during the ballot process.

6 PROGRESSING TO THE BALLOT/ FORMAL APPROVAL

- 6.1 Within the BIDS legislation, the Council has powers in terms of vetoing the proposals if they conflict with any structure plan, local plan or development plan; conflict to a material extent with any policy formally adopted; or lead to a significantly disproportionate financial burden being imposed on any person entitled to vote. Council Officers have reviewed the BID Proposals and business plans and there are no specific concerns in relation to a Local Authority's powers of veto.
- 6.2 The Tweed Valley Tourism BID Steering Group has undertaken extensive business consultation during the development period including surveys, meetings and 1-1 meetings. The Steering Group will progress with a positive and proactive campaigning programme in the run up to the ballot date to encourage as many positive votes as possible.
- 6.3 Officers recommend that the Council supports the overall BID Proposal as the project will be led by the business community and contribute to the continuing development of tourism as a key economic driver in the Tweed Valley. The Tweed Valley Tourism BID is being driven by local businesses of all shapes and sizes, working and investing collectively to build on the area's existing strengths and to develop the Tweed Valley into a world-class activity destination.

7 RISKS AND MITIGATIONS

- 7.1 The level of business consultation to date is outlined in Section 4. There is a risk that the Ballot is either not valid or not successful with a 'YES' vote. Further promotional activity and business consultation by the Steering Group between now and the ballot date will help to mitigate this risk. If unsuccessful, the Tweed Valley Tourism BID Steering Group could undertake a further Ballot, but this cannot be run until 12 months have elapsed and would require further funding to be sourced for project management and campaigning.

- 7.2 It is important that governance processes and procedures are established to ensure appropriate transparency of funding and resources. In order to monitor the Council's financial input and contribution to the project, it is recommended that a local Elected Member representative is nominated on to the Tweed Valley Tourism BID Board. An appropriate Council officer should also provide advisory support and act as an observer on the Board. Financial monitoring of the BID levy collation will be provided by the Council's Customer Services team. A draft Operating Agreement has been progressed and this will be finalised following the outcome of the ballot and the establishment of the new BID company.
- 7.3 Non-payment by local businesses is a risk to the BID in relation to cashflow and the delivery of its projects. A higher level of default could have a potential impact on the delivery of projects. A structured approach to risk assessment and risk management will be recommended to the BID board on approval of the ballot along with appropriate governance and financial management arrangements.

8 IMPLICATIONS

8.1 Equalities

A key aspect of the Council's Economic Development service work is to reduce barriers to economic inequality. The Economic Development Service will recommend to the Tweed Valley Tourism BID Steering Group and BID company to undertake Equality Impact Assessments at the appropriate stages of project proposals.

8.2 Acting Sustainably

Business Improvement District (BID) initiatives are promoted by the Scottish Government to support sustainable economic growth. The BID model, led by the private sector, enables the private and public sectors to work together and invest in improvements to the local business environment, while contributing to the wider regeneration of the local community.

8.3 Carbon Management

There is no anticipated net increase in carbon emissions at a Scottish Borders level. Individual projects which are taken forward as part of the project will be assessed appropriately to minimise impacts and maximise low carbon opportunities.

8.4 Rural Proofing

Rural Proofing is not required as the proposal does not relate to new or amended Council policy or strategy. Town centres act as a potential hub for rural communities and it is anticipated that any actions/ activities would add value to the wider rural economy rather than having a negative impact.

8.5 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

9 CONSULTATION

- 9.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Service Director HR, the Clerk to the Council and Communications have been consulted and their comments have been incorporated into the report.

Approved by

Rob Dickson
Executive Director

Signature

Author(s)

Name	Designation and Contact Number
Bryan McGrath	Chief Officer Economic Development, Chief Executives - Tel: 01835 826525
Julie Hogg	Principal Officer (Regeneration), Chief Executives - Tel: 01835 826527

Background Papers: None

Previous Minute Reference: None

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Bryan McGrath can also give information on other language translations as well as providing additional copies. Contact us at: Bryan McGrath bmcgrath@scotborders.gov.uk tel: 01835 826525