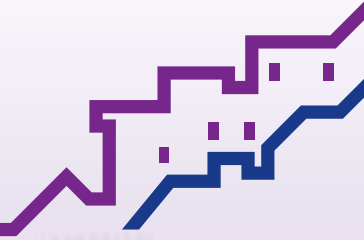


Property Owners

Benefiting from Business Improvement Districts



BIDS

BUSINESS IMPROVEMENT DISTRICTS SCOTLAND





What is a BID?

A Business Improvement District (BID) is led by business for business and delivers a sustainable financial model to fund local improvements, services and management.

A BID, which is funded by the private sector, allows the private sector to work in partnership with statutory authorities within a flexible mechanism to deliver a wide variety of projects

and services to improve the local economy. It also gives local businesses a unified voice and provides an arena for businesses

and local authorities to increase their understanding of each other's priorities.

A BID can cover almost any project or service that local businesses agree would be of benefit as long as these are additional to services provided by the statutory authorities.



BID projects can tackle issues such as:

- **access**
- **safety and security**
- **cleansing and waste**
- **environmental improvements**
- **marketing, hospitality and events**
- **improved asset management**
- **and give a strong and unified voice for business.**

More innovative projects and services can develop as each BID evolves and matures. Some, for example, are developing projects around waste management, utilities, collective purchasing and cross-selling. Examples include:

- **local procurement**
- **business development**
- **independent business assistance and succession plans**
- **renewable energy**
- **zero waste – recycling, reuse, reduce**
- **European funding.**





How is a BID established?

Normally, a working group develops the initial BID project and consults with other groups and the local authority to gauge support. It also ascertains whether financial, in kind and secondment support will be provided by the local authority.

After this a wider, more representative steering group is established, made up of predominantly private sector individuals and some public sector representatives.

After consultation with local businesses, a steering group will identify the proposed BID area to be covered, the issues to be addressed and projects to be included in the business plan. The business plan will also set out the BID's delivery mechanisms and performance indicators, as well as the BID governance and management structures.

A BID is not a substitute for central or local government services, but is a way additional funding can be raised. The businesses then decide how the additional funds are spent to

strengthen their local business economy.

A BID is developed, managed and paid for by the business sector by means of a compulsory BID levy which the businesses within the proposed BID area must vote in favour of before the BID can be established. Each business liable to contribute to the BID will be able to vote on whether or not the BID goes ahead.

Levy contributions could be made by a combination of occupiers and property owners, or by occupiers alone.

The interests of both large and small businesses are protected through a voting system that requires a majority in the numerical votes cast and the rateable value of votes cast. A BID proposal in Scotland will only go ahead if more than half the businesses vote in favour and they represent more than half of the rateable value – of those businesses that vote.

A BID has maximum duration of five years after which the BID is required to seek a new mandate from the businesses in the BID area.



How can a BID benefit property owners?

A BID can help the regeneration and management of town centres, local high streets and business parks by delivering real and lasting results. All local partners will benefit from the projects and services, and all contribute to the costs. BIDs are, therefore, fully accountable at a local level.

BIDs can help to:

- **generate greater and stronger partnership working between public, private, voluntary and community organisations**
- **create a safer, more attractive environment – CCTV, mobile patrols, lighting, etc**
- **deliver additional investment and funding to support town centre strategies and action plans**
- **reduce the number of empty properties and create more local jobs by attracting new businesses to the BID area**
- **bring more visitors to the town centre and the area's other attractions**
- **create greater civic pride and input to town centre regeneration from business owners and managers**
- **deliver additional services and activities – safety, cleanliness, marketing and events.**

A BID can help address the problems and issues identified by property owners themselves, with solutions that they believe will be most effective.

BIDs can deliver:

- **protection of asset value by reducing crime and vandalism and enhanced long-term capital value growth**
- **improvement in an area's desirability, helping to attract occupiers**
- **increased rental values of property and area**
- **increased trade, which benefits turnover – based rents**
- **improved communications and marketing**
- **protection for your investment by ensuring you are consulted on matters affecting your property**
- **improve staff recruitment and retention**
- **support joint effort and drive towards a shared vision**
- **provide a competitive regional advantage**
- **collectively invested money which works harder and smarter – sharing costs and responsibilities**
- **provide a strong local voice for business.**





BIDs in action

In Scotland, each local BID steering group will specify in their business plan, following consultation with local businesses, if the levy is payable by both property owners and occupiers.

Both the Clacksfirst and Inverness BID involve property owners.

Clacksfirst pioneered the involvement of property owners in BIDs in Scotland, becoming the first county-wide BID (involving ten business parks), the first commercial BID in Scotland and the first UK business park BID to involve property owners as well as occupiers.

There are approximately 200 companies operating from around 300 properties.

In March 2008, Inverness became the first city in the UK to incorporate property owners as well as businesses in a BID. There are approximately 387 property owners in the Inverness BID and businesses, property owners and public services are working together to make sure Inverness is *the* place for investments, businesses and customers alike

The primary aim of the BIDs are to bring about positive and lasting change by enhancing the economic vitality and quality of life within the BID area and deliver projects and services

that will create a safer, cleaner and more attractive working and trading environment.

In 2010 Clacksfirst helped its member businesses obtain professional advice on reducing their property's rateable values and rates bills.

Other projects that have helped benefit property owners include property improvement grants, security audits supported by a security grant scheme and crime prevention and reduction projects.

Property owners were the driving force behind the initiation of the Birmingham Broad Street BID.

The problems associated with the excessive consumption of alcohol were starting to impact on owner and tenant perception of the area and on the value of existing investments.

The BID, which attracts substantial voluntary contributions from property owners and developers, invests in projects which support crime reduction, area marketing, local events, vacant shopfront re-branding and street cleansing.

During the BID's first year, crime fell by 59.6 per cent and consumer spending increased by five per cent.

“BIDs represent an excellent opportunity for property owners to work in partnership with their property occupiers and the local authority to make a real difference to their local business environment. This supports local economic activity and can bring added value to the area.”

David Melhuish, Scottish Property Federation



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Us

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