

## **Review of Business Improvement Districts Scotland**

### **Communities Analysis, Scottish Government**

A Business Improvement District (BID) is where local businesses work as one to help improve an area. Businesses decide if they want to set one up through holding a ballot. If the ballot is successful, they pay a levy which is spent on local improvements. There are currently 36 established BIDs across Scotland, with 20 more in development. In 2014, the Scottish Government contracted a national body called Business Improvement Districts Scotland to help support BIDs across Scotland. This research explores (through interviews with key stakeholders) the impact of their support so far and considers the options going forward. For more details, please go to BIDs Scotland's [website](#).

### **Main findings**

- The advice and information received from BIDs Scotland was timely and helpful, and interviewees felt confident in the quality of the advice received.
- The training events and annual conferences BIDs Scotland organised were well received, with people gaining new knowledge and insights from other Scottish and international BIDs.
- BIDs that faced challenging issues generally felt that BIDs Scotland could offer them more proactive support.
- Some interviewees thought that BIDs Scotland tended to focus on town centre BIDs at the expense of different types of BIDs. If other types of BIDs will continue to be developed, the website should be updated to reflect this.
- Longer established BIDs felt neglected by BIDs Scotland's focus on newly emerging BIDs.
- Interviewees made a number of recommendations for how BIDs Scotland could support them more effectively in the future (resources allowing):
  - Voting register of national companies
  - More networking opportunities
  - Step-by-step desk instructions and completed example documents
  - Initial meeting to discuss processes, requirements and risks in detail
  - Timely feedback on business plan (where submitted early)
  - Website section sharing information and inspirational ideas

## Background

A Business Improvement District (BID) is a precisely defined geographical area where businesses vote to invest collectively in local improvements to improve business environments and improve local economic growth. BIDs are developed, managed and paid for by the commercial sector by means of a compulsory BID levy charged to all businesses within the BID area.

A BID can be established wherever additional services to those which the statutory authorities provides are desired by the local business community. BIDs can be located in a range of places: in town centres; in one or two particular streets; industrial estates; business parks; and they can also cover rural areas.

All eligible businesses in a BID area would contribute to the scheme after a majority of businesses have supported the BID in the ballot. The BID company then spends its money on projects and initiatives that have been developed in consultation in the BID area, detailed in a business plan and approved by a majority of the levy payers.

## Research objectives

The overall aim of this project is to consider the impact of BIDs Scotland to date in their role to develop and support BIDs. The research examines the strengths and weaknesses of the current model, and the future of the model, by exploring the views and experiences of organisations who are supported by BIDs Scotland. The specific objectives were to:

- Explore the strengths and weaknesses of the current delivery model.
- Establish stakeholders' perceptions of the role of BIDs Scotland and how this is being delivered.
- Provide suggestions on how BIDs Scotland's role could be developed and enhanced to meet the needs of stakeholders
- Provide suggestions for ways in which BIDs Scotland can understand impact to enable on-going development of its services.

## Research methods

The review employed a qualitative methodology. A sample of BIDs with a range of experiences were invited to interview. The sample was designed to include a diverse range of BIDs, with the following taken into account:

- Location
- BID stage (e.g. recently established, long-term)
- Ballot outcome (i.e. successful/unsuccessful)
- Category (e.g. sectoral, town centre)

Ten BID representatives agreed to participate in the research and telephone interviews were conducted over the course of July 2016. Telephone interviews were a practical choice due to the disparate location of the participants.

## Findings

### Applying to become a BID

Most applied to become BIDs to improve economic growth in their area. Within this there were three main themes:

- Instigating change through raising money to pay for projects and initiatives that provide local solutions to local problems
- Change in the local area was often a catalyst to applying, either to mitigate negative changes or to maximise new opportunities
- Knowledge and previous experience of BIDs were common among interviewees and their BID colleagues, and this often informed decisions to apply to become BIDs

### Delivering BIDs

There were a number of factors that interviewees felt helped with the delivery of the BID which were not to do with the support that they received:

- previous knowledge and experience of BIDs and of town centre planning
- good relationships with the local authority economic development team
- supportive BID management group/steering group

In terms of what BIDs Scotland could do, the findings from the interviews were mainly around one of two aspects of their work:

1. Supporting new, emerging and existing BIDs to develop and deliver
2. Enabling learning to be shared

The remainder of this short report will focus on these.

### Supporting BIDs to develop and deliver

Interviewees were positive about the role BIDs Scotland played in supporting new and emerging BIDs. They were provided with the background information they needed on the legislation and seedcorn grants and received very prompt and helpful responses from BIDs Scotland to requests for advice or additional information. Interviewees felt very confident that the advice they received would be accurate and would help them meet the legislative requirements for setting up the BID.

Interviewees from BIDs that had faced challenging issues were more likely to think that BIDs Scotland could do more to support them, even though the issues they faced weren't always in BIDs Scotland's control. Those that faced the following issues were more likely to have said they needed more support from BIDs Scotland:

- budgets not being ratified by the Local Authority until the last minute;
- no precedent for issues arising – particularly relevant for new types of BIDs;
- last minute comments from BIDs Scotland on business plans;

- difficult to find information on voting and contact details for businesses with national oversight bodies;
- active and vocal anti-BID individuals and groups, including anti-BID campaigns;
- difficult relationships with local businesses;
- complicated decisions about levy exemptions and levy rates;
- complicated and lengthy grant and other funding applications.

### **Support for ballot or re-ballot**

A number of interviewees found the time leading up to the ballot stressful, as they had a number of deadlines to meet and requirements to fulfil. Although the information provided by BIDs Scotland to help navigate these was seen as clear and helpful, interviewees also raised areas where additional support from BIDs Scotland would have been useful:

- an early discussion to go through all the legislative requirements for the ballot and talk about how to deal with any challenging issues that might arise;
- support to develop a bespoke timetable;
- an exemplar business plan to help BIDs understand what's needed and also provide inspiration about what might be possible;
- timely comments on business plans that are submitted early;
- being put in touch with other BIDs who have experienced similar issues;
- moral support where local issues were particularly difficult;
- an up-to-date register of national companies with local branches, including contact details and voting commitment.

Interviewees understood that some new types of BIDs were breaking new ground and felt it was important to capture learning generated during their development so that others could benefit from this and hopefully find their own set-up process smoother. Although this lack of prior experience made it difficult to deal with some issues, the interviewees mainly accepted that this was inevitable and would improve over time as learning was shared. Some interviewees did feel that BIDs Scotland could do more to understand their particular issues.

Interviewees thought BIDs Scotland's support was focused on new/emerging town centre BIDs. Some thought that this was at the expense of new types of BIDs and also longer established BIDs.

Although some interviewees thought that BIDs Scotland could do more to understand their particular needs and issues, others saw BIDs as a 'local solution to a local problem', which meant that some decisions needed local area expertise which would make it difficult for BIDs Scotland to advise.

## Sharing learning

Interviewees thought it was essential that they had the opportunity to learn from each other and from BID experts. They had all previously attended the BIDs Scotland Annual Gathering<sup>1</sup> and other training events, which they saw as key mechanisms for formal and informal learning through presentations and networking.

## Training events

Interviewees found the bespoke training sessions very useful to guide them through the requirements of specific parts of the process. They also gained specific knowledge from the presentations at the Annual Gathering, with the presentations from both local and international BIDs receiving positive feedback.

Some preferred what they saw as the more relevant local BID presentations, whereas others valued the input from international BIDs as this provided new and unexpected ideas to consider.

## Networking

In addition to the formal learning these events provided, all interviewees placed high value on talking to other BID leads during other informal opportunities. This gave them ideas and reassured them about what they were doing, gave moral support in dealing with challenging issues, and also gave them contacts to follow up after the event. In particular, interviewees valued these networking opportunities because they:

- helped them feel that they weren't alone
- gave them (inspirational) ideas for projects and for business plans
- provided practical advice about specific situations they may have both experienced
- provided on-going contact, support and advice.

Interviewees felt that the members area of the website could be developed to help them identify which BIDs they might want to speak to.

Some interviewees felt they faced capacity issues which made it challenging for them to attend all the events (particularly those with part-time roles or those based further from the Central Belt) and were cautious about recommending additional meetings or events. Others were keen to have additional informal networking events without BIDs Scotland being present, to encourage more open discussions.

All interviewees had used the website, mostly to find legislative information or templates. It was suggested that the members section of the website could include summaries of what other BIDs are doing and some inspirational case studies about what BIDs could achieve.

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<sup>1</sup> This is Business Improvement District Scotland's annual conference. It seeks to bring representatives from Business Improvement Districts from around Scotland and beyond to share success stories and learning and promote the BID model.

### **How to access background or source data**

The data collected for this social research publication:

- are available in more detail through Scottish Neighbourhood Statistics
- are available via an alternative route <specify or delete this text>
- may be made available on request, subject to consideration of legal and ethical factors. Please contact [ruth.whatling@gov.scot](mailto:ruth.whatling@gov.scot) for further information.
- cannot be made available by Scottish Government for further analysis as Scottish Government is not the data controller.



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