

Proposed Business Improvement District – Penicuik Town Centre**Report by Mary Smith, Director Education Communities and Economy****1 Purpose of Report**

- 1.1** The purpose of this report is to update Cabinet on the development of a proposal for the establishment of a Business Improvement District covering Penicuik Town Centre and to identify Midlothian Council representation on the Penicuik Business Improvement District steering group which requires to be formed.

2 Background

- 2.1** The Business Improvement Districts concept was originally set up in Canada over forty years ago but took off in the USA in the late 1970s. Business Improvement Districts came into force in Scotland in April 2007 following legislation passed by the Scottish Parliament in 2006.
- 2.2** A Business Improvement District involves businesses within that District working together and investing collectively in local improvements which will be of benefit to the businesses involved whilst contributing to the sustainable economic growth of the local economy. By working together businesses can reduce costs, share risks and create new opportunities for growth. A Business Improvement District is not a substitute for Central and Local Government investment but is an additional investment to strengthen the local economy and give local businesses a unified voice, helping to provide an arena for businesses and Local Authorities to increase their understanding of each other's priorities.
- 2.3** Business Improvement Districts are developed, managed and paid for by the business sector through a compulsory Business Improvement District levy. A Business Improvement District can only be formed following a successful ballot of the businesses within the prospective Business Improvement District. 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.
- 2.4** A Business Improvement District can last for no more than five years and will either be dissolved at the end of its term or will seek a new mandate by way of a renewal ballot.
- 2.5** Once formally established, Business Improvement Districts can be utilised for a range of economic development/regeneration related initiatives. In respect of town centres, this can include:
- community safety related activities;

- improvement of perception and image;
- public realm improvements;
- support for business development activities
- development of events programmes ; and
- premises improvement schemes.

This list is not exhaustive and highlights the wide range of initiatives Business Improvement Districts can potentially support.

- 2.6** With regard to Penicuik Town Centre, efforts have been made in recent years by business representatives to establish a Business Improvement District. So far this has not progressed beyond the establishment of an informal, private sector led, steering group which had met on a fairly infrequent basis. However, the group was successful in securing a grant of £20,000 from the Scottish Government to assist with developmental operations such as marketing and website development. To date, only a small sum (£1,663) has been expended, for marketing purposes. Council officers have been involved in recent discussions with the Director of Business Improvement Districts Scotland, Scottish Government officials and representatives from the informal Penicuik Town Centre Business Improvement District steering group in an attempt to regenerate interest in the concept and drive forward the initiative in the interests of Penicuik Town Centre.
- 2.7** The outcome of these discussions has been the agreed transfer of the remaining £18,337 to Midlothian Council to kick-start the Penicuik Town Centre Business Improvement District initiative. If Cabinet approval is secured, the first stage in the process will be the establishment of a formal Penicuik Town Centre Business Improvement District steering group. It is proposed that the Council takes the lead in establishing this steering group which should ultimately be private sector led. This will be progressed by holding a specific Business Improvement District consultation meeting in Penicuik in the near future to gauge private sector interest.
- 2.8** In addition, it is proposed that, if there is sufficient interest to establish a Penicuik Town Centre Business Improvement District steering group, the Council be represented on the group.
- 2.9** Following the establishment of the steering group, a key area of activity for the group will be the appointment of a Project Officer to effectively explain the Business Improvement District concept to the local business community in advance of a confidential postal ballot to be held at a suitable date sometime in 2014. The result of this ballot will determine whether or not the Penicuik Town Centre Business Improvement District project proceeds.

3 Report Implications

3.1 Resource

In terms of Human Resource implications, any work associated with the establishment of the Penicuik Town Centre Business Improvement District steering group and progression of the initiative will be handled by the Council's Economic Development Manager in close liaison with Council colleagues and appropriate Penicuik Town Centre business representatives.

With regard to the possible appointment of a Project Officer to promote the Business Improvement District concept in Penicuik and its environs, the conditions of grant from the Scottish Government clearly state at condition 3 that the grant may not be used for the remuneration of public sector personnel or Council officers appointed to the Business Improvement District project team.

It should be noted that, if the Penicuik Town Centre Business Improvement District project progresses as anticipated, a confidential postal ballot will require to be held on a suitable date in 2014. This ballot will require to be commissioned by the Returning Officer of Midlothian Council on behalf Penicuik Town Centre Business Improvement District and in accordance with Scottish Business Improvement District legislation. Clearly this will have both Human and Financial Resource implications which cannot be fully quantified at the present time. It is estimated that around 200 businesses would be balloted, depending on the precise definition of the Town Centre adopted. Accordingly, prior to any ballot, a report would be presented to Cabinet outlining the resource implications.

With regard to Financial Resource implications, grant monies amounting to £18,337 for the Penicuik Town Centre Business Improvement District project have been received by the Council from Scottish Government. A key condition in the grant award letter stipulates that any expenses incurred over and above the grant awarded will not be reimbursed by the Scottish Government.

3.2 Risk

Failure to participate in the Penicuik Town Centre Business Improvement District project would mean that the grant award would have to be repaid to the Scottish Government. In addition, many of the goals outlined in the Penicuik and District Neighbourhood Plan in respect of town centre regeneration would not be met if the Council decided not to participate. There is also a risk that ultimately when the ballot is held in respect of the proposed establishment of a Business Improvement District, a majority of Penicuik Town Centre businesses may vote against the proposal.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☒ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child

- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

3.4 Impact on Performance and Outcomes

Participation in the Penicuik Business Improvement District project initiative will positively impact on a wide range of economic development related outcomes as highlighted in the Penicuik and District Neighbourhood Plan. This includes job creation, increased footfall in the town centre and the occupation of vacant business accommodation. In addition, participation in the Business Improvement Districts initiative will form one of the priorities for action contained in the emerging Midlothian Economic Recovery Plan.

3.5 Adopting a Preventative Approach

Economic recovery/growth and employment are two of the six national priorities where there is an expectation that each Community Planning Partnership will show how it is giving priority to demonstrating improvement in these particular areas. Accordingly, from a preventative approach, having a vibrant and successful local economy will positively impact on most, if not all, of the national priorities. Successful town centres are a key component of a thriving local economy.

3.6 Involving Communities and Other Stakeholders

Key stakeholders in the Penicuik area, such as Penicuik Community Council, were consulted during the development of the Penicuik and District Neighbourhood Plan. There were a series of consultations with Penicuik Town Centre businesses during the previous unsuccessful attempt to establish a Business Improvement District. Fresh consultations will require to be held to enable a steering group to be formed and then ultimately for a ballot to be held either for or against the Business Improvement District establishment. Positive business input is crucial to the success of the process.

3.7 Ensuring Equalities

There are no equalities issues at this stage. If any equalities issues arise during development of the proposed Business Improvement District they will be fully addressed by steering group members.

3.8 Supporting Sustainable Development

There are no sustainability issues at this stage. If any sustainability issues arise during development of the proposed Business Improvement District, they will be fully addressed by steering group members.

3.9 IT Issues

There are no IT Issues arising from this report.

4 Recommendations

It is recommended that Cabinet:

- (1) notes the receipt of seed-corn grant awards from the Scottish Government amounting to £18,337 to assist in the development of proposals for a Business Improvement District in Penicuik Town Centre;
- (2) agrees that the Council provides appropriate project governance support to assist with the initial establishment and operation of the Penicuik Town Centre Business Improvement District ;
- (3) recommends to Council the appointment of Councillor Rosie and the Economic Development Manager to represent the Council on the Penicuik Town Centre Business Improvement District Steering Group; and
- (5) instructs that regular progress reports on the operation of the Penicuik Town Centre Business Improvement District Steering Group be presented to Cabinet.

Date: 20 August 2013

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Background Papers:

Penicuik Town Centre Business Improvement District

Declaration Box

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Title of Report: *Proposed Business Improvement District – Penicuik Town Centre*

Meeting Presented to: *Cabinet : Tuesday 7 October 2013*

Author of Report: *John Beveridge (Economic Development Manager)*

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- ☒ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- ☒ *All risk implications have been addressed.*
- ☒ *All other report implications have been addressed.*
- ☒ *My Director has endorsed the report for submission to the Council Secretariat.*

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Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.