

Easter Bush Business Improvement District

Report by Ian Johnson, Head of Communities and Economy

1.0 Purpose of Report

The purpose of this report is to update Cabinet on progress with the possible establishment of a Business Improvement District (BID) in the Easter Bush area of the Midlothian Science Zone.

2.0 Background

National Context

- 2.1 BIDs came into force in Scotland in April 2007 following legislation passed by the Scottish Parliament in 2006.

BIDs in Scotland are not restricted to town and city centres and can be developed in areas such as the tourism and visitor sector, commercial or industrial districts areas, rural areas, agriculture or single sector business groups who wish to collectively improve their trading environment.

- 2.2 BIDs are developed, managed and paid for by the business sector through a compulsory levy. A BID can only be formed following a successful ballot of the businesses within the prospective BID area. 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.

Local Context

- 2.3 Midlothian's first BID was established in Penicuik town centre after a successful ballot of local businesses in May 2015. This BID will last for duration of five years after which it will either be dissolved at the end of its term or will seek a new mandate by way of a renewal ballot.

A progress report on the Penicuik BID will be subject of a report to Cabinet early in the New Year.

- 2.4 In late 2013 an application was made to the Scottish Government for £20,000 seed corn funding to be used exclusively for development work and consultation with local businesses within the Easter Bush Estate to determine the viability of establishing a science sector specific BID.
- 2.5 Whilst the application was approved and funding awarded, it was unable to be taken forward at that time due to the resource commitments involved and competing work priorities.

- 2.6 The initially suggested area for the Midlothian Science Zone focussed BID includes the principal sites in Midlothian with an active or planned role within the animal biosciences / life sciences sector. This area, which has the highest concentration of animal science research in Europe, includes Bush Estate / Technopole, Easter Bush Campus (the University of Edinburgh), Pentlands Science Park and the Bio-campus (Scottish Enterprise). As the BID consultation process proceeds, there will be the opportunity to widen or reduce the suggested BID area. A map to show the likely extent of the BID area is appended to this report.
- 2.7 One Health Bioscience /Life Sciences are a key growth sector for the Council, the Scottish Government and Scottish Enterprise. The businesses, the research base and the facilities present already within the Midlothian Science Zone constitute a very significant cluster of excellence for the sector and for the economy of Scotland as a whole.
- 2.8 To progress the development of this BID proposal, the seed corn funding awarded by the Scottish Government has allowed the employment of a dedicated and specialist part time project coordinator with experience of BID development. Working on a fixed term contract, the project coordinator will engage and consult with businesses and key stakeholders within the proposed BID area.
- 2.9 This fixed term contract will follow a two stage approach.
- Stage one will be for an initial period of six months. This will allow the project coordinator to formally establish a BID steering group, consult with businesses and test the market for business appetite to progress to BID ballot.
- 2.10 At the end of this six month period, recommendations will be made by the project coordinator on whether to progress towards the next stage of the BID development. This second stage of BID development typically takes a further twelve months and would involve preparing a detailed business plan which would set out the aspirations of the BID along with key projects to deliver over the BID term. This would be prepared after further in depth consultation and voted on by the businesses within the proposed BID area.
- 2.11 At every stage of the process input from the business sector in the suggested BID area is critical.

If the recommendation from the project coordinator at a later date is to proceed to ballot and the vote is in favour of the establishment of a BID, staff in the offices of BIDs Scotland (Edinburgh based) have advised that this would be the first science sector specific BID of its kind operating within the UK.

3.0 Report Implications

3.1 Resource

No additional financial resources are requested from the Council during the initial six month stage of the BID development. The project coordinator post is funded in full by the Scottish Government seed corn grant.

In the event of a positive recommendation from the project coordinator to progress to full ballot, additional funding will be required to support this.

During the development phase of the now established Penicuik BID, approval was given for the sum of £20,000, identified from within the Business Gateway budget, to match the Scottish Government seed corn grant. At this same time, an equal amount of £20,000 was ring fenced and remains within the budget to support the science sector BID development. During the run up to ballot the project coordinator's working hours would increase substantially and there would be the expectation to deliver a number of demonstration projects to showcase the BID's potential. The existing £20,000 seed corn grant alone would be insufficient to fulfil this. It would therefore be the intention to utilise the existing Business gateway £20,000 funding, already identified within the budget, to help fund the continued BID development at the Midlothian Science Zone.

In terms of human resource implications, any Council related work required in respect of the BID development will be carried out by Economic Development Section staff in close liaison with Divisional colleagues and appropriate Midlothian Science Zone based partners.

The steering group that will be formed to help drive forward the initial BID development phase should be comprised of local business or key stakeholders operating within the BID. This would normally include appropriate Elected Member representation supported by Economic Development Section staff.

If there is a later recommendation to progress to full BID ballot it will be necessary to involve colleagues within the Council's Legal and Elections Sections as per Scottish Government guidelines. This was a required course of action during the establishment of the Penicuik BID.

3.2 Risk

It is hoped that a BID could be the potential mechanism that will be used to source funding and provide revenue for the delivery of a number of the strategic objectives contained in The Bush Framework Masterplan. This independent strategic document was produced in 2012 following in-depth consultation with businesses within that area. Failure to progress the development of a BID could result in some of these strategic objectives being delayed or not being realised. The formation of a BID in the Easter Bush area is also a key action highlighted within "Ambitious Midlothian 2 (Midlothian Economic Recovery Plan). Failure to progress the Masterplan recommendations may have wider implications for the Life Science/ Bioscience sector in Midlothian.

There is no known financial risk to the Council during the initial BID development phase.

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

Support of this BID development phase will help deliver key outcomes and indicators contained within “Ambitious Midlothian” and the Single Midlothian Plan 2016/17.

Under the Sustainable Growth theme within the Single Midlothian Plan, this in particular could relate to; new jobs and businesses are located in Midlothian; Midlothian’s economic growth rate consistently outperforms the Scottish average; and Midlothian is an attractive place to live work and invest in.

Supporting the development of the Midlothian Science Zone as a world class scientific research centre is identified as a key priority within “Ambitious Midlothian”.

3.5 Adopting a Preventative Approach

Economic recovery/growth and employment are two of the six national priorities where there is an expectation for each Community Planning Partnership to 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.

3.6 Involving Communities and Other Stakeholders

The Midlothian Economic Recovery Plan, which was prepared by the Council and Community Planning partners, identifies the need to support the Midlothian Science Zone. This was the result of extensive engagement/consultation with the business communities of Midlothian.

As part of the BID development process, a small informal steering group has been established comprising of key businesses located within the Easter Bush area and staff from the Council’s Economic Development Section. It will be the role of the project coordinator to formalise this group and develop an extensive programme of consultation involving all businesses within the proposed BID area, key stakeholders and the wider community. The results of this work will determine the next stage within the BID development process.

3.7 Ensuring Equalities

There are no equalities issues at this stage as the consultation phase has only recently commenced. Any consultation undertaken will be fully inclusive and mindful of equalities issues. The requirement for the BID to be assessed against the Council’s Combined Equalities Impact Assessment Framework will be reviewed as the BID development progresses.

3.8 Supporting Sustainable Development

There are no sustainability issues at this stage as the consultation process has only recently commenced. If the BID development is recommended to progress to stage two after this initial consultation, sustainable development will be at the heart of the business plan proposals.

3.9 IT Issues

There are no IT issues arising from this report.

4.0 Recommendations

It is recommended that Cabinet:

- Notes progress with the proposed development of a Business Improvement District within the Midlothian Science Zone.
- Agrees that the Council continue to provide appropriate in kind project support to assist with the development and operation of the proposed Easter Bush Business Improvement District.
- Agrees that a further progress report is presented to Cabinet once the results of the initial consultation with businesses are known.

Date: 2 November 2016

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Background Papers:

Scottish Government Seed Corn application

The Bush Framework Masterplan

Map of proposed Business Improvement District Area