



Evaluation of Scotland's Pathfinder Business Improvement Districts (BIDs)

Report for Improvement Districts Scotland Ltd

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Executive Summary

This report presents the findings of an independent evaluation of the Scottish Government's Pathfinder Business Improvement District Programme.

The purpose of the evaluation is to assess performance, identify good practice, and provide written output that can be used to support the development of future BIDs. This study builds on previous work undertaken for and funded by Scottish Government, including:

- 2007 [Monitoring and Evaluation Framework](#) – developed to support the introduction of BIDs in Scotland (including the Pathfinders);
- 2008 [A Guide to BIDs in Scotland](#) – providing an overview of key issues to be addressed by BIDs at the development stage;
- 2009 [Good Practice Framework](#) – identifying good practice within individual BIDs that can be incorporated by others; and
- 2010 [Interim Reviews](#) – undertaken for four BIDs (Alloa, Bathgate, Clacksfirst and Falkirk) to help each maximise the benefits of operations, and ensure they are best placed for the renewal ballot exercise.

This study should therefore not be regarded as the end of the evaluation process, rather as part of a continuous learning cycle of understanding the potential for BIDs to support economic development and regeneration in Scotland.

It is important to note at the outset that EKOS approached this evaluation study from a specialist perspective, not a traditional evaluation exercise. Whilst the study was funded (as were the Pathfinder and subsequent BIDs) by the public sector, the primary drivers of any BID are the private sector businesses that fund ongoing BID operation, management and project delivery. BIDs are therefore designed to meet the needs of businesses in improving the performance of places. As such, BIDs are focused on delivery projects that meet the demands of local businesses and to date have spent limited resource on measuring their performance, impact and benefit.

This makes consideration of value extremely difficult, yet it is a key aspect of the evaluation and needs to be addressed to demonstrate value for money for the public sector. Our approach has therefore sought to identify economic, social and community benefits through qualitative research methods and describing (where possible quantifying) the effect of BIDs.

Context and Background

Business Improvement Districts (BIDs) are a financial mechanism whereby businesses in a precisely defined geographic area vote to invest collectively in project activity that improves business performance. A BID is not a substitute for the activity of statutory authorities, but delivers additional investment and gives businesses a unified voice in the management and development of their local area.

At the development stage (pre-ballot) BID area businesses are consulted on issues and opportunities for their area. Following this, a Business Plan is produced that establishes how the money that will be collected (the BID levy) would be spend (the BID activity).

The legislative framework for establishing BIDs in Scotland was passed in 2006 and 2007. Following a formal bidding process six areas were selected as Pathfinder BIDs with the objective of testing the BID concept and its applicability in Scotland. The Pathfinder BID process was led by the Scottish Government and provided central support together with seedcorn grant funding. The six Scottish Pathfinder BIDs were:

- Clacks First – incorporating 10 business parks across [Clackmannanshire](#);
- Enterprising Bathgate – incorporating [Bathgate](#) town centre;
- Essential Edinburgh – incorporating the core retail area in [Edinburgh](#) city centre;
- Falkirk – incorporating [Falkirk](#) town centre;
- Glasgow's Style Mile – incorporating the core retail area in [Glasgow](#) city centre; and
- Inverness – incorporating the whole of [Inverness](#) city centre.

Each of the six Pathfinder BIDs was supported by the Scottish Government through seedcorn grant funding at the pre-ballot development period, at a total cost of £735,000. Additional support was also provided through a BID Project Director who provided information, knowledge, communication, good practice and legislative advice. [All of the Pathfinder BIDs proceeded to formal ballot between April and July 2008, with five being successful and one \(Glasgow\) marginally losing the vote.](#)

The Scottish Government has continued its proactive support for the development of BIDs – central support and seedcorn grant funding (of up to £20,000) – to support the establishment of new BIDs. This has supported the establishment of five further BIDs in Scotland (Alloa, Dunfermline, Elgin, Kirkcaldy and Clarkston) with a further 18 at the formal development stage and 12 considering the potential.

In January 2010, Improvement Districts Scotland Ltd (IDS Ltd) was established to deliver the Scottish Government's BID programme. It is the national support organisation for BIDs in Scotland, providing central support for knowledge sharing, whilst also informing and advising on BID policy as developed by the Scottish Government.

BID Review

At the date of the evaluation there were ten operational BIDs in Scotland, one of which (Falkirk) successfully secured a renewal ballot for a five year term (2011-2016). All organisations awarded the Scottish Government's seedcorn grant have subsequently proceeded to ballot.

Chapter 3 presents a review of the five Pathfinder and subsequent Scottish BIDs, and compares BID activity in Scotland with elsewhere in the UK and the Irish Republic.

[Area of Focus](#): seven town centres, two city centres and one business park.

[BID Organisation Structure](#): nine Private Companies Limited by Guarantee, and one Umbrella Company of a Chamber of Commerce (Clarkston).

[Board Members](#): typically 12 of which 10 are levy payers, but with a range from 10-16 in numbers and 63-100% levy payers.

Operating Period: nine five year BIDs and one (Falkirk) originally three years, but renewed for a five year term in June 2011.

Project Themes: largely focused around cleanliness, safety/security, marketing, access, image/environment, and advocacy/facilitation. Non-Pathfinder BIDs have developed a broader range of activities to include: enhancing the retail mix, business support and tourism/entertainment.

KPI Data: limited focus on measuring BID impact and no consistent basis of reviewing performance. Most BIDs reported gathering some data (largely on an ad hoc basis) including: crime, vacancy rates, footfall, leveraged investment, and shopper/business surveys.

Business Base: the Pathfinders have an average base of 700 businesses of which 500 are levy payers. This is larger than subsequent BIDs which have an average base of 315 of which 310 are levy payers.

Exemptions: nine have some form of levy exemption with only one (Elgin) having full coverage; for seven BIDs 95% of all properties are liable to pay the levy. Exemptions fall into two categories – rateable values (under/over defined values) and type of property (e.g. non-retail charities, places of worship, schools, ATMs, etc).

Levy Rate: nine have fixed rates with an average of 1.5% (within a range of 1% - 3.5%); Alloa adopted a variable rate from 0.6% - 16%. Only two (Clackfirth and Inverness) fully include property owners – eight only include property owners where the property is vacant.

Full Levy: the average levy is £217,000, within a range from £60,000 (Clarkston) to £915,000 (Edinburgh).

Non Levy Guaranteed Income: ranging from no external financial/in-kind support (Edinburgh and Inverness) to 100% levy match funding (Bathgate) with an average of £50,000 per annum (financial and in-kind).

Non-Project Expenditure: considerable variation depending on the size of the BID, ranging from £10,000 to £220,000 with an average of £70,000 equating to 38% of total levy and 27% of total guaranteed income.

Total Leveraged Funds to Date: significant variation, ranging from £20,000 to £2.5m, the largest source of leveraged funds was the Town Centre Regeneration Fund, followed by local authorities.

Staff Resource: from 1 to 7 FTEs, typically 2.2 (1.6 excluding Edinburgh); average 1 FTE per £125,000 of levy.

Table E1 BID Financial Summary

	Pathfinder BIDs	Non Pathfinder BIDs	All Scottish BIDs
Annual Levy	£1,520,000	£645,000	£2,170,000
Full Term Levy	£7,220,000	£3,220,000	£10,440,000
Levy Collected to Date	£4,700,000	£1,030,000	£5,730,000
Leveraged Income to Date	£2,250,000	£3,460,000	£5,710,000
Scottish Government Seedcorn Grant	£735,000	£100,000	£835,000

Note: All values rounded

Based on the Scottish Government input, the return on investment is:

- Pathfinder BIDs:
 - £1 : £6.40 (levy collected to date)
 - £1 : £9.80 (full term levy)
 - £1 : £9.40 (levy and leveraged income – to date)
- non-Pathfinder BIDs
 - £1 : £10.30 (levy collected to date)
 - £1 : £32.20 (full term levy)
 - £1 : £44.90 (levy and leveraged income – to date)

There is considerable variation between the return on investment for the Pathfinder and subsequent BIDs, solely due to the level of seedcorn grant awarded to Pathfinder BIDs. For every £1 funding awarded by Scottish Government to the Pathfinder BIDs a subsequent investment of £9.80 is generated through levy income over the course of the BID, largely from private businesses. This is significantly higher for non-Pathfinder BIDs, at £32.20.

Since BID were introduced in England and Wales in 2003, and subsequently in Scotland in 2006, there have been 160 BID ballots, of which 23 were renewal ballots. Of these, 136 have produced positive results with a BID being established; and 23 'no' results, with three failing in the ballot twice. At present there are 109 formal BIDs currently in operation across the UK and Republic of Ireland, with two-thirds in town/city centres, one-quarter in business parks, and the remainder in mixed, leisure or commercial settings.

From a later starting point, Scotland now has 9% of all established BIDs, and with a further 18 at the formal development stage (and 12 notes of interest, plus other enquiries), Scotland is likely to have a significantly greater proportion of BIDs than other regions/countries across the UK.

There are a number of trends that emerge from the review of BIDs at the UK level:

- almost all BIDs have been established for a period of five years;
- the average number of properties within a BID area is around 400, but there is a considerable range (17 to 300 for industrial BIDs; 132 to 2,500 for town/city centre BIDs);
- excluding BIDs with banded payments, the average levy rate is around 1.5%, but there is considerable variation (0.52% to 9% for industrial BIDs; 0.9% to 3.5% for town/city centre BIDs);
- the average Year 1 levy income is around £390k, significantly higher than the Scottish average of £215k (or £140k excluding Edinburgh);
- ballot turnout has generally been between 40% and 50% with higher turnout recorded in unsuccessful BID ballots (24% to 88% for industrial BIDs; 25% to 66% for town/city centre BIDs); and
- the average vote in favour by both numbers and RV is around 70-79%.

Scottish BIDs have generally performed in line with wider UK/NI trends, with the exception of the BID area profile. To date, there has been a significant bias within Scotland toward town and city centres, accounting for 9 of the 10 established BIDs; and 10 of the 11 ballots; the UK/NI comparable proportion is around two-thirds of the total. This profile is expected to change with the BIDs currently in development in Scotland (four non-town/city centre from a total of 18).

Additionality and Future Intentions

The Pathfinders had different pre-BID partnership arrangements:

- Glasgow and Clacksfirst had no formal structures focused on their BID area;
- Inverness had two separate groups, formal City Centre Management and a Traders Group, but with little cross-over between each;
- Bathgate had a Traders Forum and Town Centre Management Group (public/private/community) with good working links between each; and
- Falkirk and Edinburgh had formally constituted and funded public-sector Town and City Centre Management Companies.

Consultees thought that those with pre-BID partnership structures had benefited by having formal engagement processes. In Glasgow, while the BID itself was unsuccessful, the process has been used to establish a formal partnership between public sector organisations and private businesses. This has provided a good basis for consultation, and development and delivery of city centre projects.

Whilst pre-BID structures are regarded as beneficial, it is recognised that the BID structure itself generates the greatest impact through the provision of guaranteed income, thereby allowing detailed project planning over the BID term.

Selecting and developing projects is a critical element of the BID approval process, as presented in the Business Plan. There is a high level of consistency across the themes, objectives and activities of the Pathfinder BIDs.

The project activity of the Pathfinders has largely focused around six main areas:

- delivering marketing and promotion;
- reducing crime and fear of crime;
- creating a high quality image and environment;
- maintaining high standards of cleansing;
- providing advocacy and facilitation services; and
- improving accessibility.

Consultees believe that project activity has been additional and that there is a perception that it will have generated additional impacts for BID area businesses. There is, however, no clear logic process to link the two.

While none of the BIDs reported having a formal Monitoring Framework against which Key Performance Indicator (KPI) data is recorded, most reported collecting some data on the BID area. This largely falls into three categories – footfall, crime and vacancy rates. Feedback from consultees (and experience from the renewal ballot process in England) suggests that there is growing demand from businesses for quantified data on BID impact and performance measurement. Those BIDs that produced an Annual Review (Scotland and England) reported positive feedback from levy payers – this is an opportunity for the BID to report both qualitative feedback and quantitative data on activity and benefits. At the end of the BID term this data can be used as supporting evidence for the renewal ballot.

With one exception (where the consultee was unsure) the Pathfinder BIDs thought it likely that they would seek renewal of the BID through a further ballot. During the course of the study, Falkirk secured renewal for a subsequent five year BID term. Assuming renewal, most of the BID Managers would recommend changes to their defined BID area (too small, too dispersed, or to include/remove specific properties). The only other major change that BID Managers would recommend would be the collation of baseline data and ongoing monitoring of KPIs – it should be reported, however, that this view was not unanimous with two reporting that they would be unlikely to do so, primarily due to budget and resource constraints.

BID Benefits and Effects

Consultees clearly recognised the need for, and importance of, *project additionality* for the BID. There was, however, less understanding on the issue of *impact additionality* i.e. even where a project is additional there is a need to ensure that it generates additional impacts for local businesses. It should not be assumed that projects have not delivered additional impacts for businesses, merely that the concept is not tested by BIDs and very limited data is gathered against which any impact could be measured.

Based on the feedback provided by those that were consulted (see Appendix A), the following types of impacts and benefits have been identified:

- generating additional footfall within the BID area;
- improved perception of the BID area;
- reduced vacancy rates in BID area properties;
- a greater sense of cohesion amongst BID area businesses; and
- better partnership and linkages between BID area businesses, public sector delivery bodies and other statutory authorities.

With a few limited examples it has not been possible to quantify the scale of these impacts and benefits. Feedback from English BIDs that have secured successful renewal ballots, suggests that data on impact has been (or would have been, if available) of significant benefit in demonstrating the additional value and impact of the BID.

It is important that BIDs understand and regularly report on the impacts and benefits that they generate for the businesses that pay the levy. [BIDs should consider a logic model approach](#), which allows consideration of project activity from initial resource input to final project impact:

- inputs, or what the BID is putting in;
- activities, or what the BID is doing;
- outputs, or what the immediate results are;
- outcomes, or what is achieved in the longer term; and
- impacts on businesses, or the ultimate impact on BID area businesses.

Whilst it is not always possible to quantify impacts, this process of review allows the BID team to understand the type of impact that project activity will have, and who the ultimate beneficiaries of that activity are. As a largely private sector funded venture, the primary indicator of impact for all BID project activity should be increased turnover for those businesses that pay the levy.

To date, the focus of Scottish Pathfinder (and subsequent) BIDs has largely been on measuring activities, or for Falkirk's Safe Base/Safe Zone project, measuring outputs and outcomes in relation to reduced crime and cost savings. There is a need for BIDs to focus on the impact that activities have on businesses – this requires collation of regular and consistent data on business turnover. It is recognised, however, that businesses may be reluctant to provide this data, and that proxy KPIs may be required e.g. footfall, property vacancy rates and customer spend.

Whilst the evaluation cannot quantify the impact of the Pathfinder BIDs, there is clear evidence of impacts and benefits that have arisen as a result of BID activity. In particular, BIDs have been successful in developing a common sense of aspiration amongst the local business base (the presence of a central body promoting local business needs has created confidence about the future); the development of strong strategic partnerships between the public and private sector (the advocacy role of the BID has built a common sense of purpose and trust).

Rationale and Future Government Support

The study identified almost unanimous support for, and commitment toward, BIDs from the individuals and organisations that participated in the consultation process. Consultees cited the potential for BIDs to generate additional benefits and impacts, but in the main recognised their failure to capture and quantify these. The promotion of BIDs by Scottish Government has, however, been viewed by a small number of consultees as being at the expense of other forms of direct support for place making.

The Pathfinder process is regarded as being essential to the successful introduction of BIDs in Scotland. Without the combination of legislation with seedcorn grant and Scottish Government funded resource support, most consultees believe that few BIDs, if any, would have been established in Scotland. This mix is particularly lauded as being critical to the success of BIDs in Scotland.

There was a general consensus on the rationale for the Pathfinder process – test legislation and give clarity on the process; demonstrate that BIDs can be successful in Scotland; and test whether businesses were interested in BIDs and would engage in the process. Overall, consultees reported that expectations from the Pathfinder process had been met, and all reported that it has been a good test of the process.

One of the major benefits of the process has been the development of a sense of responsibility on the part of the Pathfinders for development of subsequent BIDs. This was noted by a large number of consultees as being of significant importance in championing the establishment of subsequent BIDs.

The Pathfinder process itself appears to have been relatively straightforward, and created benefits for participants through discussing issues, sharing information and engendering a sense of trust and partnership which has continued.

Most consultees reported that the current seedcorn grant (£20k, normally matched locally) has been critical in levering investment and interest for new BIDs – this is likely to be increasingly important to the development of future BIDs as public sector funding becomes more constrained.

The benefits of IDS Ltd as the central support body were identified by consultees as:

- providing a formal mechanism for established and developing BIDs to share information, experiences and good practice;
- providing a dedicated on-call resource with the IDS Ltd Director in a co-ordinating role, available to established and developing BIDs as well as those considering the potential applicability of a BID for their area; and
- providing a framework for established and developing BIDs to discuss and share problems, and test what solutions work best in different situations.

Two minor concerns were, however, noted by consultees – the focus of IDS Ltd in supporting the establishment of new BIDs with no formal protocol to work with established BIDs that may not be reaching best value or quality; and the potential for quarterly BID meetings to focus more on sharing good learning and experience.

[Consultees believe that there is a need for continued Scottish Government support for BIDs in Scotland through the combination of developing BIDs seedcorn grant and the central support provided by IDS Ltd \(funded by Scottish Government\).](#)

Consultees also believe that without the seedcorn grant there would be a significant drop in interest, with most new BIDs being established in larger and wealthier towns. The central supporting role of IDS Ltd is also critical to supporting the establishment of, and sharing good practice and experience between, new and established BIDs.

Conclusions and Recommendations

The overall findings of the evaluation are that the Pathfinder BID process was highly successful and effectively demonstrated the potential for BIDs as an effective tool for place regeneration. The BID Pathfinder process is considered to be good practice in relation to the introduction of new legislation i.e. the combination of legislation, seedcorn grant and central resource support.

All of the Pathfinders delivered projects in line with their Business Plans, as voted for by businesses through the BID ballot. Project activity is not clearly aligned with national or local policy objectives, but this is unsurprising from business-led organisations. Some BIDs are, however, beginning to adopt an 'advocacy' role in promoting the collective interests of their business base to the local authority and other public/service delivery partners.

There is limited evidence around the impact that BID activity has had in relation to business performance – this would require evaluation of individual BIDs, which has not been undertaken. There has been a recent shift in business attitudes and now greater demand for BIDs to provide performance data and facts. Preparation of an Annual Review of BID activity and performance is recommended as good practice.

Issues that emerged from the research include: the need for (and benefits of) central support at the pre-BID development stage; the predominance of town and city centre BIDs in Scotland; and the failure to measure and understand the impact of BID activity on businesses. There has been a tendency for BIDs to over-promise (at the pre-BID stage) in relation to leveraged income potential – outwith the Town Centre Regeneration Fund (which provided significant external grant income for some BIDs) local authorities have been the main source of leveraged income.

The most effective legal structure is the Private Company Limited by Guarantee, but BIDs should also consider the benefits of establishing a separate charitable company which may open access to additional funding, and can be financially efficient for some types of project activity. The BID company should employ its own staff and should have an independent Board with members predominantly (though not exclusively) drawn from levy payers. The inclusion of other local partners, particularly the local authority, expands the profile and partnerships of the BID.

Learning outcomes from the Pathfinder BIDs are:

- the benefits of being part of a wider group in testing the concept and launching new initiatives i.e. sharing knowledge and experience;
- the need for public sector grant funding to support the development of BIDs at the pre-ballot stage, and to support ongoing project development and delivery through a central support body;
- the need to obtain external resource input (non-levy guaranteed income) to ensure the sustainability of the BID (particularly for small BIDs) and avoid significant levy expenditure on non-project related costs; and
- the potential to use the BID mechanism to promote area regeneration in small communities, for example the current work with the Mull and Iona Development Trust.

The evaluation identifies [four recommendations](#) for future BID activity in Scotland:

- the current approach to the development of BIDs in Scotland is recognised as good practice and should be continued – the combination of seedcorn grant for developing BIDs (pre-ballot stage) and the provision of co-ordinated central support through IDS Ltd;
- standard KPIs should be developed against which BID impact and performance can be measured on a consistent basis – this should be a condition of the seedcorn grant but if successful would form a solid base from which future impact assessments could be made;
- the established English practice of issuing annual performance statements to accompany BID levy bills should be encouraged – this could take the form of an Annual Review of activity and impact, reporting on progress against the expected benefits outlined in the Business Plan; and
- there is an opportunity to expand the scope and scale of BID activity in Scotland due to the flexibility of the BID legislation e.g. sectoral and thematic BIDs. There is, however, a need to carefully consider the viability of very small BIDs which will rely on a combination of: substantial supporting infrastructure (other organisations taking a delivery role), guaranteed external funding, and very high levy rates.

1. Introduction

In November 2010 EKOS Economic and Social Development in partnership with the University of Stirling's Institute for Retail Studies were appointed by Improvement Districts Scotland Ltd to undertake an evaluation of its Pathfinder Business Improvement District (BID) programme.

Improvement Districts Scotland Ltd (IDS Ltd) is a private company limited by guarantee, trading as Business Improvement Districts Scotland since January 2010 – prior to this support for BIDs was delivered directly by Scottish Government. IDS Ltd delivers the BID programme in Scotland on behalf of, and funded by, Scottish Government.

This Chapter sets the context for the evaluation and considers key issues that have influenced the development and delivery of BIDs in Scotland. It is important to note that the evaluation focuses *more* on the Pathfinder BIDs process than evaluation of the impacts of the individual Pathfinder BIDs. A review of BID benefits and effects is, however, presented at Chapter 5.

A key aspect of the evaluation was consultation with a wide range of individuals and organisations to identify the impacts of, and lessons from, the Pathfinder process. In total 25 separate interviews were undertaken. A detailed list of consultees is attached at Appendix A; they can be grouped into the following categories:

- the original Pathfinder BIDs in Scotland (6);
- other operational BIDs in Scotland (3);
- operational BIDs in England and Wales (5);
- businesses operating from BID areas (4¹); and
- representative organisations – IDS Ltd, Federation of Small Businesses Scotland, Association of Town Centre Managers Scotland, Visit Scotland, Welsh Assembly Government, and Department for Social Development Northern Ireland (7).

¹ Whilst only four businesses were interviewed direct for this evaluation, feedback from previous BID review work was also used to inform the study.

Semi-structured interviews were conducted via face-to-face and telephone to establish project activity and operations, benefits/impacts, good practice, issues, future intentions and governance/management. A copy of the interview template together with non-attributable comments is attached at Appendix B.

The feedback provided by consultees has been used to inform the whole of the evaluation study, but in particular is reported at Chapters 4, 5 and 6.

1.1 Study Context

Business Improvement Districts (BIDs) are a financial model whereby businesses in a precisely defined geographic area vote to invest collectively in project activity that improves business performance. A BID is not a substitute for the activity of statutory authorities, but delivers additional investment and gives businesses a unified voice in the management and development of their specific location. They are often, though not exclusively, partnership arrangements through which the local business community and the statutory authorities take forward projects that will be of mutual benefit – improved business performance, improved economic performance, and improved area performance.

At development stage (pre-ballot), the businesses within the BID area will be consulted on the issues and opportunities for their area. Following this, a Business Plan is produced that establishes how the money collected (the BID levy) will be used (the BID activity).

In Scotland BIDs are managed through a central support body – IDS Ltd. IDS Ltd was established to support and encourage the development of BIDs across Scotland and to aid the regeneration and asset management of cities/towns/villages, business parks and tourism/visitor areas.

IDS Ltd delivers the Scottish Government's BID programme and is the national support organisation for BIDs in Scotland. It encourages and brings together the individual BIDs from across Scotland, sharing knowledge and information whilst informing and advising on BID policy as developed by Scottish Government. It also works with a range of public and private sector partners to improve the trading environment for businesses involved in a BID.

The legislative framework for establishing BIDs in Scotland was passed in 2006 and 2007². Through a formal bidding process and review by public/private sector experts, six areas were selected as Pathfinder BID areas with the objective of testing the BID concept and its applicability in Scotland.

The six Scottish Pathfinder BIDs were:

- Clacks First – incorporating 10 business parks across **Clackmannanshire**;
- Enterprising Bathgate – incorporating **Bathgate** town centre;
- Essential Edinburgh – incorporating the core retail area in **Edinburgh** city centre;
- Falkirk – incorporating **Falkirk** town centre;
- Glasgow's Style Mile – incorporating the core retail area in **Glasgow** city centre; and
- Inverness – incorporating the whole of **Inverness** city centre.

Each of the six Pathfinder BIDs was supported by the Scottish Government through seedcorn grant funding. In 2006 the six Pathfinders were awarded £50,000 each, with further awards in 2007:

- Clacks First £40,000, equating to £90,000 in total;
- Enterprising Bathgate £55,000, equating to £105,000 in total;
- Essential Edinburgh £105,000, equating to £155,000 in total;
- Falkirk £55,000, equating to £105,000 in total;
- Glasgow's Style Mile £125,000, equating to £175,000 in total; and
- Inverness £55,000, equating to £105,000 in total.

² Primary legislation for establishing BIDs in Scotland is contained in Part 9 of "The Planning etc. (Scotland) Act 2006" with secondary legislation contained in "The Business Improvement Districts (Scotland) Regulations 2007", "The Planning etc. (Scotland) Act 2006 (Business Improvement Districts Levy) Order 2007" and "The Business Improvement Districts (Ballot Arrangements) (Scotland) Regulations 2007".

In total the Scottish Government provided £735,000 in seedcorn funding to the six Pathfinder BIDs for the pre-ballot development period. Additional support was also provided through a central resource for information, knowledge, communication, good practice, and legislative advice.

All of the Pathfinder BIDs proceeded to formal ballot, with five being successfully established as BIDs, and one (Glasgow) marginally losing the vote. The Pathfinder BIDs were established between April and July 2008, and have therefore now been operational for around three years.

The Scottish Government has continued its proactive support for the development of BIDs – advice and support was provided directly until January 2010, since when IDS Ltd has provided this on behalf of Scottish Government. Seedcorn grant funding of up to £20,000 is also provided (by Scottish Government, through IDS Ltd) to support the establishment of new BIDs³ – this is typically matched at the local level by an equivalent sum in cash or in kind.

This seedcorn funding has supported the establishment of five further BIDs in Scotland⁴, with 18 currently at the formal development stage⁵ and 12 in discussion with IDS Ltd and considering the need for (and benefits of) establishing a BID in their area.

No organisation in Scotland has been awarded the seedcorn grant and subsequently failed to proceed to ballot.

³ In November 2008, the Scottish Government announced that seedcorn grant would be available to business groups and associations working in partnership with their local authority.

⁴ Alloa, Dunfermline, Elgin, Kirkcaldy and Clarkston.

⁵ Aberdeen, Carlisle, Dunoon, Edinburgh West End, Edinburgh Grassmarket, Giffnock, Hamilton, Inverness Tourism, Iona and Mull, Kirkwall, Largs, Lerwick, Milngavie, Oban, Peebles, Penicuik, South Queensferry and Stranraer,

1.2 Study Issues

A detailed review of the Pathfinder BIDs (and subsequent Scottish BIDs) is provided at Chapter 3. This shows that outwith levy income there is relatively little variance between the ten established Scottish BIDs in terms of type, objectives, governance and scale, with only one non-town/city centre BID.

Whilst five (and even ten) is a relatively small base, it represents the available sample from which to draw lessons for broader application of the BID mechanism in Scotland. It is also important to note that a period of three years in operation is relatively short in comparative terms, particularly as the first 6-9 months of the Pathfinder BIDs was spent establishing the BID companies and their management/governance structures, with only limited project delivery activity.

Given the largely homogenous nature of the established BIDs in Scotland, the potential to understand the full range of issues around the application of the BID concept to the myriad of potential opportunities will need further detailed consideration. In particular there is a need to monitor the use of BIDs within small towns and villages, where significantly higher levy rates than the average will be required (see Chapter 3).

This study should therefore not be regarded as the end of the evaluation process, but as part of a continuous learning process of understanding the potential for BIDs to support economic development and regeneration in Scotland. It builds on previous work undertaken and funded by, and for, Scottish Government, including:

- 2007 Monitoring and Evaluation Framework – developed to support the introduction of BIDs in Scotland (including the Pathfinders);
- 2008 A Guide to BIDs in Scotland – providing an overview of key issues to be addressed by BIDs at the development stage;
- 2009 Good Practice Framework – identifying good practice within individual BIDs that can be incorporated by others; and
- 2010 Interim Reviews – undertaken for four BIDs (Alloa, Bathgate, Clackfirth and Falkirk) to help each maximise the benefits of operations, and ensure they are best placed for the renewal ballot exercise.

1.3 Study Objectives

The purpose of the evaluation is to assess performance, identify good practice lessons, and provide written output that can be used to support the development of future BIDs:

- to evaluate the Scottish Governments Pathfinder BIDs to appraise their effectiveness in delivering projects and services of benefit to the levy payers, their contribution to local and national outcomes, local strategies and policies and the Scottish Government's central policy purpose of sustainable economic growth;
- to explore examples of best practice (additional to those already identified) so far in the establishment of BIDs in Scotland; and
- to assess the effectiveness of BIDs in terms of the actual projects delivered and the impact the BID has had in relation to the local business community and the wider community.

The outcomes of the study should address the following questions:

- what are the types of issues that have emerged so far in relation to setting up BIDs?
- what examples of best practice can we identify with regard to areas such as business plan development, partnership working and legal structures?
- what works and what doesn't, for example, in terms of procurement processes and company structure? and
- what lessons can we learn from the start-up experiences of these initial BIDs?

The evaluation process was specifically designed to address these objectives and questions. It included a review of background documents, interviews with a wide range of organisations, and a literature review of recent academic/industry research.

1.4 Evaluation Process

EKOS has considerable expertise in the evaluation of a wide range of projects, programmes and initiatives, and has considerable embedded knowledge of the operation of BIDs in Scotland.

We approached this evaluation study from a specialist perspective, rather than as a traditional evaluation exercise. Whilst the study was funded (and the pilot BIDs were funded) by the public sector (largely Scottish Government), the primary driver of any BID is the private sector, which largely fund ongoing operation, management and project delivery.

BIDs are therefore designed to meet the needs of private sector businesses in improving the performance of places. Anecdotal evidence gathered through previous research by EKOS suggests that the most important criteria for businesses in deciding whether to support a BID is the extent to which they believe it will help to improve the performance of their own individual business.

BIDs are focused around delivering projects that meet the needs and wishes of their key stakeholders – the businesses that pay the levy – and to date have spent limited resource on measuring their performance, impact and benefit. These three aspects (performance, impact and benefit) form the core of any traditional evaluation study, but in this instance data collection has been limited.⁶

This makes consideration of value extremely difficult, yet it is a key aspect of the evaluation and needs to be addressed to demonstrate value for money for the public sector. Our approach has therefore sought to identify economic, social and community benefits through qualitative research methods and describing, and where possible quantify the effect of BIDs.

This acknowledges the difficulty in attributing impacts to specific BID activity due to:

- the absence of impact evidence gathered by the Pathfinder BIDs;
- the effects of wider socio-economic factors that affect business and area performance; and

⁶ The importance of performance, impact and benefit measurement was recognised by Business Improvement Districts Scotland from the outset, with guidance provided in the 2006 Monitoring and Evaluation report.

- the presence of project activity within the BID area funded and/or delivered by other organisations, groups and businesses.

Whilst some BIDs report instances of impact, this is on a company-by-company or project-by-project basis. Data is not collected on a consistent and continuous basis and it is therefore not possible to gross-up results to provide a quantified analysis of BID impact – either for individual BIDs or the Scottish Government’s Pathfinder BID Programme.

At the launch of the Pathfinder BIDs, feedback from businesses (as reported in the 2006 Monitoring and Evaluation report) showed that they attributed limited priority to measuring and evaluating impact. However, as BIDs have become established, and also as the operating environment for businesses has changed (economic downturn), businesses have reported a greater desire to understand the difference that the BID can make.

The issue of additionality also needs to be considered. There is a clear understanding of the need for *project additionality* i.e. that BID activity should be in addition to that already provided by others, but there is less clarity on *impact additionality* i.e. that BID activity should deliver additional impacts and benefits for those businesses that pay the levy. This is considered in detail at Chapter 5.

In this context the study focused on *Process Evaluation* issues for the Pathfinder BIDs i.e. did the intervention work as planned, how was it implemented and how did it function. While *Outcome Evaluation* issues are considered i.e. examining and reviewing the overall impact of the intervention and assessing what was achieved, it has proven difficult to measure due to the absence of impact data held by the Pathfinder BIDs.

Whilst the evaluation has focused on the former, in reviewing the performance of the individual Pathfinder BIDs, we have also addressed (where possible) wider impact evaluation issues.

1.5 Report Layout

This report presents the findings of the evaluation study. The layout follows a logical process, introducing BIDs as a concept, considering the academic evidence for evaluation, reporting against the evaluation findings (from the operation of individual BIDs to the Pathfinder process), and finally presenting conclusions and future recommendations.

The remainder of this report is laid out as follows:

- Chapter 2 presents the literature review – this considers the academic approach and evidence for evaluation of BIDs and affirms that they are more than a set of individual projects but play a major role in public entrepreneurship and partnership;
- Chapter 3 presents a review of the five established Pathfinder BIDs in Scotland, setting them within the context of the five subsequent Scottish BIDs and wider BID activity across the UK and Northern Ireland;
- Chapter 4 considers issues in relation to additionality and the likelihood of the Pathfinder BIDs seeking a further operational term through a renewal ballot;
- Chapter 5 considers the type of effects and benefits that are likely to be generated through BIDs, and outlines issues in relation to evidence gathering that have affected our ability to measure impacts;
- Chapter 6 considers views on the rationale for the Pathfinder process and the need for future Scottish Government support for both established and developing BIDs in Scotland; and
- Chapter 7 draws the evaluation findings together, presenting final conclusions against the study objectives and making recommendations to inform future BID activity in Scotland.

Supporting analysis, study materials and the background review are provided in the appendices to this report.

2. Literature Review

As part of the evaluation study, the Institute for Retail Studies at the University of Stirling prepared a literature review of academic and journal articles. This review provides a robust research base on the context of, and nature of, BID evaluation at UK, European and International levels.

The inclusion of the literature review at this stage sets the context for the evaluation of the Scottish Pathfinder BIDs and confirms that the approach adopted is valid. The detailed analysis is provided at Appendix C.

2.1 Introduction

BID schemes go under many descriptors such as Main Street Trusts (New Zealand) or City Improvement Districts (South Africa), commonly sharing a concern to redress decline in specifically defined areas.

The evaluation of BIDs is important not just for the individual BIDs, but also in the wider contribution of BIDs to the regeneration process. It has commonly been assumed that as a concept it is readily transferable from country to country, but little attention has been given to the appropriateness or difficulties of transferability in social, political or cultural terms.

The lack of objective and dispassionate evaluation makes understanding country to country transferability difficult. BIDs have been set up in different ways in different countries; the context of the BID scheme impacts on how it should be evaluated.

The arguments for BIDs in the UK/NI (including Scotland) have often been supported by statements of success elsewhere, primarily the United States – a press release⁷ on BIDs in Scotland stated that:

‘A good example of a BID in practice is Times Square in New York which, 15 years ago was a dirty town, down at heel, graffiti covered eyesore. Today following the creation of a BID, it is the safest part of New York, and provides shopping, tourism and entertainment facilities for the city.’ Lloyd

⁷ www.dundee.ac.uk/pressreleases/prapr02/bids.htm

BIDs seek to aid the regeneration and asset management of places. Key features are the area based aspect of BIDs, the public private relationship/partnership, and the regeneration context with reference to towns and cities. This context defines the way that evaluation should be carried out. Scottish Government and IDS Ltd advocate the use of baseline data, local bespoke indicators and evidence to identify impacts. There was, however, no formal requirement on the Pathfinder BIDs to adopt formal monitoring and evaluation procedures, with the result that none have done so, citing the cost (in both time and money) as being too expensive.

2.2 The Challenge of Evaluation

Mitchell (2009) notes that 'the root problem is the very theory that declares city places can be best brought back to life through countless people doing countless things'

It is difficult to come up with ways of measuring the performance of BIDs which are not conceptually and methodologically flawed (Mitchell, 2009, p.95). It is almost impossible to attribute changes in an area to the work of BIDs as there are always national trends, local circumstances and a range of other ongoing initiatives that affect the performance of the place and the individual business. BIDs are, by definition, about changing the overall performance of places, which is not easy to quantify.

Problems and their solutions are essentially local and so a ready-made mode of operating is not always applicable. The need for BIDs to report their success has often led to "boosterism" and the use of associative discourse⁸. Rarely do BIDs report failure and it is more difficult to study a BID after it has failed. Accountability is important as they are generating change in the public realm and in areas which are viewed as critical to local economies.

There is only limited literature covering methodologies for the evaluation of BIDs. Caruso and Weber⁹ suggest that the evaluation procedure should be set out as part of the overall strategic programme at the start of the BID, and should be budgeted for at this point in the process. Businesses would then agree what measures to use and what would characterise success.

⁸ Defined respectively as: Boosterism – excessively talking up a place to improve its public perception; and Associative Discourse – through the association of two places it is implied that what has happened in one will happen in the other without any evidence of how that might be achieved.

⁹ Getting the max for the tax: an examination of BID performance measures, in Morcol G et al.

Linking performance measurement to budgeting and resource allocation would offer the opportunity to change funding levels based on results. This means that although stakeholders may have different priorities or ideas about what constitutes success, some agreement on a communal approach has been set prior to the start of the BID.

There are less tangible benefits to think of which may be more important than the more tangible benefits, such as increased revenue. However, these may be of wider benefit in engaging the public/private partnership aspect of BIDs. Evaluating BIDs is therefore not in any way straightforward and there are several different levels at which any evaluation can take place. There are also aspects of evaluation which engage more specifically with the policy context and the partnership aspects of BIDs.

In the UK there has been a close association between town centre management and the development of BIDs.

Initial take up of BIDs across the UK has largely been associated with places where there had been a town centre management scheme in operation. This is highlighted by the role played by the Association of Town Centre Management (ATCM) in promoting BIDs through their engagement with the National BIDs Advisory Service, and their publications relating to BIDs. This has carried over to performance measurement and as a result there is a template from town centre management methodologies which has some transferability to BIDs. However, the differences in the two approaches should not be viewed simply as a continuum.

2.3 An Evaluation Framework

An evaluation framework is presented below, building on the academic evaluation evidence. The framework also includes other aspects of evaluation and is reflected in the consultation guide used for the evaluation of the Scottish Pathfinder BIDs, as presented at Appendix B.

This framework has a strong correlation with the Evaluation Framework developed by Scottish Government in 2006/07, designed to support the introduction of BIDs in Scotland.

The framework starts from the point at which BID activity has been considered and agreed.

Process

Accountability is a key motive for evaluating BIDs. Diligence, or process, is the first and most basic level of evaluation – the BID must ensure that the projects it presented in the Business Plan have been undertaken, or there has been formal reporting through the Board for any major alteration.

Process in itself is, however, insufficient as it takes no account of impact.

Analysis of the Pathfinder BIDs confirms that project delivery has largely followed the proposals outlined in their pre-ballot Business Plans.

Effectiveness and Impact

Analysing the effectiveness of a BID requires an understanding of the impact of its project activity. To understand impact, it is useful to identify areas where positive benefits might be expected, and their scope/scale.

Benchmarking is an important starting point and can provide comparative data across BIDs, considering differences in impact in BID and non-BID locations.

Qualitative measures are important e.g. perceptions of change, but quantitative data is also required. Collecting relevant, rather than available data should be the goal.

Analysis of the Pathfinder BIDs confirms that while there is an understanding of the need for project additionality, this does not clearly flow through into impact additionality. This is considered at chapter 4.

Business Response

Business response is the measure of whether businesses wish to renew the BID. For member businesses, returns that exceed expenditure on the BID scheme will always be regarded as a measure of success.

Anecdotal evidence is not necessarily a good measure of the likelihood that the BID will be renewed. Self-evaluations should be carefully scrutinised as they are mandates of self promotion. Equally, the frequent use of associative discourse is a poor way of promoting the success of BIDs. This was used extensively in the North

West England BID Evaluation¹⁰ where effectiveness of BIDs in the USA was extensively cited and Tampa regarded as a good practice relative to towns such as Keswick.

The Pathfinder BIDs have gathered limited consistent data by way of feedback from their businesses (the levy payers) to allow analysis of their views on the success of the BID. Some BIDs have obtained anecdotal feedback that suggests continued levels of support, but this cannot be verified or reviewed.

Social and Entrepreneurial Capital

BID evaluation should consider the social and entrepreneurial benefits that have been mobilised. The Royal Society of Arts, Manufactures and Commerce 2010 Conference noted that BIDs need to engage to a greater extent with the social benefits for their area.

The involvement of arts organisations in countries including Austria, Ireland, Germany and Spain exemplify the importance of non-business participation in BIDs (ATCM, 2006). It raises issues of identity, civic roles of public spaces and the focus of activity within town centres. This may be reflected in decisions to locate activities and events in town centres and in the social role of town centres within the community.

The task of the BID is to make places that people, businesses and investors wish to patronise because they offer a differentiated, and better, option to the alternatives.

The Pathfinder BIDs recognise the strengths of collective BID effort, with some adopting a strong advocacy role. This is considered at Chapter 5.

Public Entrepreneurship

Negotiation and representation of stakeholders may be changed by the existence of a BID. Key to understanding entrepreneurship in this context is the way in which public and private partnerships have been able to deliver something that could not otherwise have been delivered. This constitutes additionality but should go beyond the establishment of contractual service agreements with local authorities, to the

¹⁰ Evaluation of the Regional Pilot BIDs Programme, North West Regional Development Agency, 2007

delivery of new project activity and the achievement of additional impacts and benefits for those businesses that pay the BID levy.

A BID offers public authorities and statutory organisations a recognised body to discuss plans with, and it is important to know whether, and in what ways, this makes any difference to the traders who are often unable to make their views heard amongst other voices.

Evaluation of the BID partnership is important – collective action should seek to achieve positive change. BIDs create a supportive network, facilitating best practice sharing.

The public/private partnership seems to be a key feature of BIDs. Grossman concludes ‘the effectiveness of a BID is not that public goods are privatised but that private capacities are used and managed as a public good’.

Feedback from the Pathfinders confirms that BIDs are a good opportunity to develop strong public-private partnership and engagement that creates benefits for both. This is considered at Chapter 4.

Shaping Future Policy

Thematic BIDs and the spread of BIDs from town centres to business parks and other collective activities raises different issues from the town centre based model. They are less engaged with public spaces and the civic role of places, and public benefits are less direct.

The German application of BIDs to neighbourhood areas extends the BIDs concept, although remaining an initiative for area-based regeneration in designated urban areas. Community Improvement Districts were developed in the USA e.g. Atlanta. Tourist based initiatives have been tried in Austria but problems arose between policies for tourist based industries and those of other town centre functions.

A ‘Quarters’ based approach may be considered more workable, emphasising the place, rather than the sectoral aspects of BIDs. As the ‘ultimate place management

policy tool¹¹, BIDs are normally spatially constructed rather than sectorally constructed.

To date, BIDs in Scotland have developed around a homogenous town/city centre base, with only one established outwith this norm (Clacksfirst – business park BID). There are, however, a number of BIDs at the development and pre-development stage that would expand this profile.

Feedback from consultees identifies the opportunity to broaden the use of BIDs in Scotland to sectoral and non-town/city locations. This is considered at Chapter 3.

2.4 Literature Review Conclusions

The main points of the literature review can be summarised as:

- evaluation and monitoring should be part of the set up process with agreement on the measures to be used, and where and how data will be made available;
- impact evaluation is intrinsically more difficult as it is hard to be sure that any changes are a result of the BID rather than other national or local circumstances, however, benchmarking is critical to establish proxies for positive impacts. Being sure that positive impacts accrue across the district and businesses is important if support is to be maintained. Both quantitative and qualitative measures should be used (Mitchell, 2009);
- associative discourse – defined as the implication that what happens in one place will happen in another without any evidence of how this might be achieved – should not be regarded as a proxy for evaluation;
- renewal is a poor way to evaluate BID performance – in recession it will always be harder to convince businesses of the benefits, particularly wider and qualitative benefits (Caruso and Webber, p338). The critique of the renewal ballot as an evaluation method is based on the idea that businesses need to have adequate data on which to base their decision;

¹¹ Grossman, S. Elements of public-private partnership management: examining the promise and performance criteria of Business Improvement Districts, *Journal of Town and City Management*, 1-2 (2010), 148-163.

- BIDs operate at the local level and engage largely with local people and businesses. Evaluation should therefore look for success at the local level as a means of securing improvement. Engagement of the wider community (e.g. residents and stakeholder organisations) is increasingly viewed as important, with the emphasis moving from business to community;
- emplacement – i.e. recognising the defined spatial area within which the BID operates – is a key feature of BIDs; place making is important to BID strategy and evaluation;
- the role of BIDs in advocacy and networking is hard to measure but may be very important in accessing funding, sharing new ideas and gaining legitimate bargaining powers;
- in the political context of public private partnerships, BIDs represent a way of working in empathy with wider socio-political trends. As such, evaluation must consider how important this aspect is for the future development of strategies and policies for town centres¹²;
- public/private partnerships involving public funding may restrict the formation of BIDs where this is not appropriate, but is likely to facilitate BIDs in town centres and business parks – the rationale and value for money for the public purse becomes less clear in non-public spaces;
- learning from BIDs facilitates hybrid forms of BIDs and partnerships to promote place regeneration; and
- there is potential for BIDs to become integrated with wider regeneration, place making, economic development and town centre policy agendas.

Overall, the evaluation process adopted for the Scottish Pathfinder BIDs is supported by evidence from the academic literature. The findings affirm that BIDs are more than just a collected series of projects, but play a key role in public entrepreneurship and developing partnerships.

¹² BID literature focuses strongly on town centres, however, this point would also be generally applicable for other types of BID.

3. BID Review

This Chapter presents a review of the five established Pathfinder BIDs. For comparison, analysis is provided for the other five established BIDs in Scotland – comparing Pathfinder and subsequent BID activity.

This chapter also compares BID activity in Scotland with elsewhere in the UK (England, Wales and Northern Ireland) and the Irish Republic.

Analysis and findings are presented at the end of the Chapter.

3.1 The Scottish Pathfinder BIDs

The analysis presented here is based on information and evidence obtained from the BIDs through consultation and/or gathered from their Business Plans.

3.1.1 Clacksfirst

Area of Focus: 10 separate business park locations across Clackmannanshire

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 10, of which 9 are levy payers, currently looking to increase to 12 equating to full capacity

Operating Period: 5 Years from 1st April 2008 to 31st March 2013

Vision: Business parks in Clackmannanshire to be a magnet for inward investment, capable of attracting, developing and nurturing a broad spectrum of companies through the provision of a safe, clean and well connected business environment. Within this environment businesses can develop, grow, expand and prosper, creating employment and wealth for themselves and those around them for the betterment of Clackmannanshire.

Project Themes: Improved Accessibility, Local Business Support + Marketing, Local Transport Initiatives, Local Business Park Image Enhancement, Resource Efficiencies, and Security and Crime Prevention.

KPI Data: Leveraged investment, vacancy rates and crime stats

Business Base: c. 240 levy payers from 340 properties, including owners and occupiers, split properties, and levy payers with more than one property; c. 100 exempt properties.

Exemptions: RV under £2k and over £1m

Levy Rate: 2.5% (split 1.5% occupiers; 1% proprietor, 2.5% owner occupiers).

Full Occupancy Levy: £115,000 per annum

Non-Levy Guaranteed Income: No cash contribution; in-kind support from Clackmannanshire Council for core office costs, and 5 hrs admin support per week, estimated at £125,000 over the five year BID term (£25,000 per annum).

Non-Project Expenditure: £40,000 per annum, 35% of levy; 29% of total guaranteed income (including in-kind contribution)

Total Leveraged Funds to Date: c. £45k public + private investment in property

Staff Resource¹³: 1 FT BID Manager + 5 hrs admin support per week

Contact: Bill Harvey, BID Manager bill.harvey@clacksfirst.co.uk, 01259 727312

Web: www.clacksfirst.co.uk

3.1.2 Enterprising Bathgate

Area of Focus: Bathgate town centre

BID Organisation Structure: Private Company Limited by Guarantee (not for profit)

Board Members: 10 of which 7 are levy payers – 7 business representatives and 3 representatives appointed by West Lothian Council

Operating Period: 5 Years from 6th April 2008 to 5th April 2013

¹³ Note: for all BIDs, staff resource excludes front-facing operations e.g. street wardens, taxi marshals, etc

Vision: Working together investing in your Town Centre.

Project Themes: Perception + Image, Clean + Attractive, Safe + Secure, Accessibility, and Facilitation.

KPI Data Collection: None to date, a survey of all levy payers is planned for 2011 to measure KPIs against the baseline data collected in the initial business survey.

Business base: 404 levy payers from c. 422 properties

Exemptions: Places of Worship, State Schools and ATMs

Levy Rate: 1% on occupiers with RV above £10,000 or, for those below, fixed contribution of £100 per annum. Levy is chargeable to property owner when property is vacant.

Full Occupancy Levy: c. £65k per annum

Non-Levy Guaranteed Income: 100% of collected levy is match funded by West Lothian Council

Non-Project Expenditure: £53,000 per annum by year 3 for management of the BID, 37% of total income (BID Manager salary is funded by WLC and not part of this figure, or guaranteed income)

Total Leveraged Funds to Date: £717k (TCRF, West Lothian Council and private sector business leverage)

Staff Resource: 2 p/t BID Co-ordinators = 1 FTE, 0.4 FTE West Lothian Council

Contact: Suzanne Scott, BIDs Manager, suzanne.scott@westlothian.gov.uk, Sam Crawford/Pat Kerr, BID Co-ordinators, info@bathgatebid.net, 01506 637537

Web: www.bathgatebid.net

3.1.3 Essential Edinburgh

Area of Focus: Edinburgh city centre core retail area (north of Princes Street)
Princes Street, Rose Street and George Street

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 11 of which 7 are levy payers

Operating Period: 5 Years from 1st July 2008 to 30th June 2013

Vision: To ensure that Edinburgh city centre excels as a place to work, a place to do business, a place to shop, and a place to visit.

Project Themes: Area Promotion, Clean + Attractive, Safe + Secure, and Accessibility.

KPI Data Collection: Footfall, retail sales/turnover

Business Base: 584 levy payers from 1,218 properties

Exemptions: RV under £25k

Levy Rate: 1% on occupiers or property owners where vacant

Full Occupancy Levy: £915k

Non-Levy Guaranteed Income: None

Non-Project Expenditure: £220,000 = 24% of guaranteed levy/total guaranteed income

Total Leveraged Funds to Date: £107k (Local Authority and private income)

Staff Resource: 7 FTEs

Contact: Andy Neal, Chief Executive, andy@essentialedinburgh.co.uk, 0131 652 5940

Web: www.essentialedinburgh.co.uk

3.1.4 Falkirk

Area of Focus: Falkirk town centre

BID Organisation Structure: BID Management Group (BID2 2011-16, established as a Company Limited by Guarantee)

Board Members: 12 Management Group Members of which 11 are levy payers

Operating Period: 3 Years from 2nd June 2008 to 1st June 2011 (secured renewal ballot for further 5 year term from June 2011)

Vision: To improve the trading environment of Falkirk town centre, creating a sustainable vibrant economy for local businesses.

Project Themes: Clean + Attractive, Safe + Secure, Accessibility, Perception + Image, and Marketing + Promotions.

KPI Data Collection: vacancy rates, crime stats, footfall count (shopping centre), Keep Scotland Beautiful review, and National Retail Rankings (CACI).

Business Base: 540 levy payers from 560 properties

Exemptions: Non Retail Charities and Churches

Levy Rate: 1% on occupiers or property owners where vacant

Full Occupancy Levy: £200k Year 1

Non-Levy Guaranteed Income: c. £100k per annum Y1-3 – staffing and office core costs – Falkirk Council (BID2 no guaranteed income)

Non-Project Expenditure: Y1-3 minimal against levy as core costs met by Falkirk Council (equates to 33% of total guaranteed income and 50% of levy)

Total Leveraged Funds to Date: £1.28m (Town Centre Regeneration Fund, Falkirk Council, Scottish Government, BID generated project and advertising income, Environment Trust, and Scottish Business Crime Centre)

Staff Resource: 2 FTEs – BID Manager, Assistant and Admin

Contact: Alastair Mitchell, BID Manager, amitchell@falkirkinspired.com, 01324 611293

Web: www.falkirkbid.com

3.1.5 Inverness

Area of Focus: Inverness city centre

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 16 of which 15 are levy payers

Operating Period: 5 Years from 1st April 2008 to 30th March 2013

Vision: To raise standards for businesses, customers, guests and visitors

Project Themes: Marketing + Promotion, Advocacy, and Safety

KPI Data: In-street survey responses from events, crime data

Business Base: 700 levy payers from 900 properties

Exemptions: RV under £8k, Places of Worship and Non Retail Charities

Levy Rate: 1% split 50/50 between owners and occupiers unless owner occupied, reduced levy for Shopping Centre occupiers

Full Occupancy Levy: £230k

Non-Levy Guaranteed Income: None

Non-Project Expenditure: c. £90k = 39% of levy and total guaranteed income

Total Leveraged Funds to Date: £100k (local authority, private income and common good fund)

Staff Resource: 1 FTE BID Manager, 2/3 FTE BID Administrator

Contact: Mike Smith, BID Manager, bidmanager@inverness.co.uk, 01463 714550

Web: www.invernessbid.co.uk

3.2 Non Pathfinder Scottish BIDs

Since the original five Pathfinder BIDs were established in Scotland, a further five have successfully gone to ballot and are now fully operational – none have failed at ballot.

This section presents a review of these BIDs, allowing comparison with the Pathfinders.

3.2.1 Alloa

Area of Focus: Alloa town centre

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 11, all of which are levy payers, plus 1 Board Advisor (Chief Inspector, Central Scotland Police)

Operating Period: 5 years from 16 October 2008 to 15 October 2013

Vision: To create a vibrant and attractive town centre which businesses and local customers can be proud of.

Project Themes: Town Centre Improvements, Cleanliness, Safety + Security, Accessibility, Promotion + Advertising, and Business Support.

KPI Data: Vacancy rates, leveraged investment, in-street survey for BID events

Business Base: 220 businesses of 222 properties (including Council property)

Exemptions: RV under £1,499, Maximum levy contribution capped at £10k

Levy Rate: Variable, from 0.6% to 16% dependent on RV band (16% equates to Band A properties paying a levy of £240 per annum; small unit contribution c. £5 per week) – not presented in Business Plan as proportion of RV.

Full Occupancy Levy: £110k per annum

Non-Levy Guaranteed Income: No cash contribution; in-kind support from Clackmannanshire Council for core office costs, 50% of BID Manager Salary, and 5 hrs admin support per week. Support input currently being assessed by Local Authority.

Non-Project Expenditure: £35k per annum, circa 32% of full occupancy levy and 23% of total guaranteed income

Total Leveraged Funds to Date: £2.5m (TCRF, Clackmannanshire Council and Fairer Scotland Fund)

Staff Resource: 1 FTE BID Manager, 5 hrs Admin Support per week

Contact: Andrew Mitchell, BID Manager, andrew@atcbid.com, 01259 727313

Web: www.atcbid.com

3.2.2 Clarkston

Area of Focus: Clarkston town centre

BID Organisation Structure: Umbrella Company 'The East Renfrewshire BID Company' established by the Chamber of Commerce, with Management Committee

Management Committee: 12 of which 10 are levy payers, others = local authority and Chamber of Commerce

Operating Period: 5 Years from 2nd August 2010 to 1st August 2015

Vision: The objectives of Clarkston BID are:

- to improve the perception of Clarkston, raise the awareness and drive more footfall amongst and by the key customer groupings
- to make the Clarkston shopping experience more friendly by improving accessibility, providing information on local businesses and promoting a good transport infrastructure
- to enhance the overall look and feel of the area
- to provide a strong local voice for the businesses in the BID area and create a forum to allow interaction and decision-making on key issues
- to give Clarkston a strong sense of identity and create a brand that appeals to customers – both within and outside the immediate locale

Project Themes: Accessibility, Enhancing the Retail Mix, Awareness + Understanding, Cleanliness + Appearance, Safety + Security, and Events

KPI Data: vacancy rates, footfall

Business Base: 132 levy payers from 136 properties

Exemptions: Places of worship

Levy Rate: 3.5% on occupiers or owner if property is vacant

Full Occupancy Levy: £60,000 per annum

Non-Levy Guaranteed Income: Staffing/Management/Administration/Office costs and £20k Year 1 contribution – East Renfrewshire Council, future income to be agreed.

Non-Project Expenditure: c. £10k per annum = 17% of levy; Staffing, office and running costs provided by in-kind support from local authority

Total Leveraged Funds to Date: £20k Year 1 contribution – East Renfrewshire Council

Staff Resource: 0.2 FTE BID Manager, 0.2 FTE Marketing 0.8 FTE Project Support + Administration

Contact: Danny McKendry, BID Manager, info@clarkstonbid.com, 0141 577 8481

Web: www.clarkstonbid.co.uk

3.2.3 Dunfermline Delivers

Area of Focus: Dunfermline town centre

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 13 Board Members of which 11 are levy payers

Operating Period: 5 Years from 3rd September 2009 to 2nd September 2014

Vision: To be a dynamic force for change; we cannot afford to stand still. The goal is to be the voice of the area, and to be advocates for all who invest, work, visit and live in the ancient capital of Scotland.

Project Themes: Increased Retail Mix, Perception + Image, Environment, Marketing + Promotion, and Working Together

KPI Data: Vacancy rates, footfall

Business Base: 430 levy payers of c. 440 properties

Exemptions: Churches and non-retail charities

Levy Rate: 1% of RV on occupiers; properties with RV under £10k pay fixed contribution of £100 per annum

Full Occupancy Levy: c. £160k per annum

Non-Levy Guaranteed Income: £335k Years 1, 2 and 3 from Fife Council

Non-Project Expenditure: £265k total over five years = 33% of levy; 20% of total guaranteed income (salary/office costs)

Total Leveraged Funds to Date: £535k (Fife Council, Event Scotland, Private)

Staff Resource: 3 FTEs, 1 p/t Volunteer + 2 f/t Temp

Contact: Susan Hughes, Chief Executive, dunferlinebid@aol.com, 01383 732226

Web: www.dunferlinebid.co.uk

3.2.4 Elgin

Area of Focus: Elgin town centre

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 13 of which 11 are levy payers, plus two observers (Moray Council)

Operating Period: 5 Years from 1st February 2010 to 31st January 2015

Vision: A vibrant and vital city centre with a supportive and involved business community with:

- a strong and well marketed reputation as a destination with a joined up and diverse retail and tourism offer reflecting the strengths, heritage and other assets of the area
- a clean, well maintained and active appearance with adequate and accessible parking, well managed traffic and clear signage for all
- a diverse programme of cultural, sporting and community events and markets, well publicised and making optimum use of new technology

Project Themes: Building a Reputation + Marketing, Elgin as a Vibrant Destination, Tourism + Entertainment, Shopping Offer, Business Engagement, Cleanliness + Safety + Appearance, Traffic Management + Access, and Community Involvement.

KPI Data: Moray Council provide annual health check = footfall, vacancy, turnover, retailer representation, retailer intentions, and crime stats. Ad hoc evaluation of events and advertising activity – qualitative feedback from businesses/shoppers on perception and rationale

Business Base: c. 450 levy payers, all business property properties

Exemptions: No exemptions for business occupiers

Levy Rate: 1.5% on occupiers, or owners if property vacant, maximum levy of £50 per annum for properties with RV under £5k

Full Occupancy Levy: c. £170k per annum

Non Levy Guaranteed Income: £49k per annum from Moray Council

Non-Project Expenditure: c. £48k per annum = 28% of levy; 22% of total guaranteed income, offset by contribution of Moray Council

Total Leveraged Funds to Date: £49k per annum (local authority)

Staff Resource: 1 FTE BID Manager

Contact: Jacqui Taylor, BID Manager, jacqui@elginbid.co.uk, 01343 550652.

Web: www.elginbid.co.uk

3.2.5 Kirkcaldy

Area of Focus: Kirkcaldy town centre

BID Organisation Structure: Private Company Limited by Guarantee

Board Members: 12 of which 9 are levy payers¹⁴

Operating Period: 5 Years from 22nd April 2010 to 21st April 2015

¹⁴ Includes five Board Members due to join in June 2011

Vision: To promote Kirkcaldy town centre as a place where people want to work, shop and spend their leisure time in a welcoming environment which is customer focused and investment-friendly.

Project Themes: Area Promotion, Clean + Attractive, Safe + Welcoming, and Facilitation

KPI Data: vacancy rates (since April 2009), footfall (counters installed Sept 2010), and ongoing shopper/visitor and business surveys (due to complete June 2011)

Business Base: c. 315 levy payers from 330 properties

Exemptions: non retail charities

Levy Occupancy Rate: 1% of RV, or £100 if RV below £10,000

Full Occupancy Levy: £144k per annum

Non Levy Guaranteed Income: £315k over first three years from Fife Council

Non-Project Expenditure: c. £65k per annum = 45% of levy; c. 26% of Year 1 income (levy + guaranteed)

Total Leveraged Funds to Date: £355k local authority and private income

Staff Resource: 2 FTEs – BID Manager and BID Co-ordinator

Contact: BID Manager, info@kirkcaldy4all.co.uk, 01592 640040

Web: www.kirkcaldy4all.co.uk

3.3 Scottish BID Summary Analysis

Area of Focus: seven town centres, two city centres and one business park. As outlined in the introduction this provides a relatively limited context for the evaluation of BIDs. There will therefore be a need for continued focus on the success of new BIDs, particularly in non town/city centre contexts, and in small towns/villages to ensure that they are the most appropriate delivery vehicle and offer value for money to the businesses that pay the levy. There is also a need for a review of the potential to attract public sector support for those BIDs that are operating in non-public spaces e.g. community and business park settings.

BID Organisation Structure: eight established as Private Company Limited by Guarantee, one originally as a Management Committee (Falkirk) but renewed in June 2011 as a Private Company Limited by Guarantee, and one as an umbrella company of the local Chamber of Commerce (Clarkston).

The Private Company structure has proven to be an effective and appropriate delivery structure for BIDs in Scotland, but is somewhat limited in financial terms. While it is likely to be the most appropriate structure for the overall BID, it could be accompanied by a subsidiary company with charitable status. A Charitable Trust vehicle would open up access to additional sources of finance, and may be more tax efficient for asset ownership and where projects and services do not generate direct benefits to businesses.

Board Members: Typically 12 of which 10 (85%) are levy payers – but with a range from 10-16 total and 63-100% levy payers. Having a majority focus on levy payers is appropriate, but lessons from the interim BID reviews¹⁵ show that having key stakeholders on the Board (e.g. Local Authority staff/Councillors, Police and other statutory bodies) provides a broad support base for the BID.

Operating Period: nine opted for five year BIDs, with only one (Falkirk) opting for three years, but recently renewed for a five year term. The recommendation is for future BIDs of five year terms unless local circumstances clearly dictate otherwise.

¹⁵ Interim reviews of four BIDs were carried out over 2009 and 2010 (Alloa, Bathgate, Clacksmuir and Falkirk)

Project Themes: BID project activity is largely focused around six main areas: cleanliness, safety/security, marketing, access, image/environment and advocacy/facilitation.

The activity of each of the four town/city Pathfinder BIDs fall under these six areas. As a business park BID, Clacksfirst has a slightly different focus –with two additional themes – local transport initiative and resource efficiencies. Non-Pathfinder BIDs have developed a broader range of activities to include: enhancing the retail mix, business support, and tourism/entertainment.

KPI Data: There has been limited focus on measuring the impact of BID activity and no consistent basis of reviewing performance. While most are gathering some KPI related data it has largely been on an ad hoc basis. All BIDs reported gathering some data, with the following KPIs being most prevalent:

- crime statistics
- vacancy rates
- pedestrian footfall
- leveraged investment
- shopper/business surveys

Business Base: Average business base for all BIDs is c. 500 properties, of which 400 are levy payers. The Pathfinders have a slightly larger business base than subsequent BIDs, largely due to the size of Edinburgh and Inverness (Pathfinders) compared with subsequent BIDs e.g. Clarkston. Within the Pathfinders the average is 500 levy payers from a total base of 700, whilst for subsequent BIDs the average is 310 from a total base of 315.

Exemptions: 9 of the 10 established BIDs have some form of exemptions with only Elgin having full coverage. Exemptions fall into two categories – rateable values over/under defined values, and type of property i.e. non-retail charities, places of worship, schools, ATMs, etc.

For 7 of the 10 BIDs, over 95% of all properties are liable to pay the levy. Edinburgh has the largest number of exemptions with just over half of all BID area businesses being exempt.

Levy Rate: Excluding Alloa which has a variable rate from 0.6% -16%, the average levy rate across the other 9 BIDs is 1.5%. Of the Pathfinders, four opted for 1% with only Clacksfirst being the only variation (2.5%, split 1.5% occupiers and 1% owners)¹⁶. Subsequent BIDs adopted a more variable approach with an average of 1.75%, but within a range of 1% - 3.5%.

Clacksfirst and Inverness are the only two BIDs that fully include property owners; owners are liable in other BIDs only where the property is vacant.

Full Levy: from £60,000 (Clarkston) to £915,000 (Edinburgh) per annum, with an average of £217,000 (£150,000 excluding Edinburgh and Clacks).

Non Levy Guaranteed Income: ranging from no external financial/in-kind support at all (Edinburgh and Inverness) to 100% levy match funding (Bathgate).

It is not possible to provide an accurate assessment of average as some contributions are provided in-kind, but based on available data the estimated average is around £50,000 per annum external guaranteed income (£65,000 excluding Edinburgh/ Inverness). The Pathfinders have a lower average rate for non-levy guaranteed income at £38,000 compared with £65,000 for subsequent BIDs – due to two of the five Pathfinders having no external guaranteed income.

Non-Project Expenditure: considerable variation depending on the size of the BID – from £10,000 - £220,000, with an average of £70,000 – this average equates to 38% of total levy and 27% of total guaranteed income. The Pathfinders are generally more resource-intensive, at an average of 33% of all guaranteed income incurred against non-project costs, compared with subsequent BIDs at an average of 21%.

Total Leveraged Funds to Date: significant variation, from £20,000 (Clarkston) to £2.5m (Alloa), this generates total leveraged investment of £5.7m and an average of £570,000 per BID. The largest source of leveraged funds was the Town Centre Regeneration Fund, with the Local Authority being the other major BID funder.

¹⁶ This profile was the suggested good practice at the time but is unlikely to be repeated as it does not generate sufficient income to allow delivery of appropriate projects in a business spark setting.

Staff Resource: from 1 to 7 FTEs (Edinburgh), typically 2.2 FTEs (1.6 excluding Edinburgh), with an average of 1FTE per £125,000 of levy and £95,000 per guaranteed income. There is no significant variation between Pathfinder and subsequent BIDs.

Summary

Overall, there is a clear correlation between:

1. the number of businesses within the BID area, the full occupancy levy income and other guaranteed income, and
2. the proportion of income incurred against non-project expenditure.

Without guaranteed external funding, smaller BIDs (by value) will incur a significant proportion of income against non-project operational costs i.e. office, staffing, renewal ballot, auditing, insurances, etc.

For smaller BIDs, best practice would suggest the need for:

- levy rates above the typical 1.5% – Alloa successfully adopted this approach through the presentation of the levy as a total payment rather than as a percentage against RV securing approval for variable rates ranging from 0.6% - 16%; and/or
- high level of guaranteed income contribution from other local partners, notably the Local Authority – Bathgate successfully secured match funding against levy collected from West Lothian Council.

Guidance from the Interbank Rating Forum and Scottish Retail Consortium relating to BIDs recommends a minimum allocation of 70% levy collection allocated to project delivery. With typically smaller cities, towns and villages than England, there is a need to consider the financial viability of future BIDs in Scotland. Collecting a levy rate of 3.5%, Clarkston collects full occupancy levy of £60,000 per annum. The in-kind support provided by East Renfrewshire Council and the Chamber of Commerce is therefore essential to the financial viability of the BID, allowing non-project expenditure to be limited to £10,000 per annum.

In addressing this there is a need to consider the type of structure and partnership within which the BID will operate. For example, there is an opportunity for Development Trusts (which have an established supporting infrastructure in place) to use the Scottish BID model and legislation to generate guaranteed income – this is likely to require continued community and voluntary input to the Trust.

An alternative model would be for a number of small BIDs to work in partnership with shared back-room administration, finance and support services to reduce overheads and non-project costs.

Table 4.1 presents summary financial details of BID income for Pathfinders and subsequent BIDs.

Table 4.1 BID Financial Summary

	Pathfinder BIDs	Non Pathfinder BIDs	All Scottish BIDs
Annual Levy	£1,520,000	£645,000	£2,170,000
Full Term Levy	£7,220,000	£3,220,000	£10,440,000
Levy Collected to Date	£4,700,000	£1,030,000	£5,730,000
Leveraged Income to Date	£2,250,000	£3,460,000	£5,710,000
Scottish Government Seedcorn Grant	£735,000	£100,000	£835,000

Note: All values rounded

Based on the Scottish Government input, the return on investment is:

- Pathfinder BIDs:
 - £1 : £6.40 (levy collected to date)
 - £1 : £9.80 (full term levy)
 - £1 : £9.40 (levy and leveraged income – to date)
- non-Pathfinder BIDs
 - £1 : £10.30 (levy collected to date)
 - £1 : £32.20 (full term levy)
 - £1 : £44.90 (levy and leveraged income – to date)

There is considerable variation between the return on investment for the Pathfinder and subsequent BIDs, solely due to the level of seedcorn grant awarded to Pathfinder BIDs.

For every £1 funding awarded by Scottish Government to the Pathfinder BIDs a subsequent investment of £9.80 is generated through levy income over the course of the BID, largely from private businesses. This is significantly higher for non-Pathfinder BIDs, at £32.20.

3.4 UK and Republic of Ireland BIDs¹⁷

Since BID legislation was introduced in England and Wales in 2003, and subsequently in Scotland in 2006, there have been 160 BID ballots, of which 23 were renewal ballots. Of these 137 have produced positive results with the BID being established, and 23 'no' results, with three failing the ballot twice.

At present there are 109 formal BIDs currently in operation across the UK and Republic of Ireland:

- 72 are town and city centre partnerships (66%);
- 26 are business park BIDs (24%);
- 4 are mixed BIDs – all in England (4%);
- 3 are leisure BIDs – all in England (3%);
- 3 are commercial BIDs – all in England (3%); and
- 1 is a city wide BID – in England (1%).

BIDs are established across the whole of the UK with the exception of Northern Ireland, which is in the process of developing formal BID legislation:

- 96 BIDs in England (88%);
- 10 BIDs in Scotland (9%);
- 2 BIDs in the Irish Republic (2%); and
- 1 BID in Wales (1%).

¹⁷ Analysis in this section is based on data from British BIDs www.britishbids.info

There is, however, an uneven spread of BIDs across UK regions. **Table 4.2** compares the location of operational BIDs at a regional level against the proportion of population for those areas. This shows that four areas have a strong bias – East and West Midlands, London and the South West.

From a significantly later starting point, Scotland now has a roughly equal distribution of BIDs to population. With a further 18 at the formal development stage (12 notes of interest and others making enquiries), Scotland is likely to have a greater proportion of BIDs to population, within the next 12-18 months. This is, of course, dependent on the level of BID activity elsewhere, but should be considered against the high rate of growth of BIDs in Scotland over the past three years.

Table 4.2 Geographic Spread of BIDs and Population

	Population	%	No. of BIDs	%
North East	2,515,445	4.3%	3	2.8%
North West	6,729,764	11.4%	11	10.3%
Yorkshire and The Humber	4,964,833	8.4%	4	3.7%
East Midlands	4,172,174	7.1%	12	11.2%
West Midlands	5,267,308	9.0%	16	15.0%
East	5,388,140	9.2%	3	2.8%
London	7,172,091	12.2%	23	21.5%
South East	8,000,645	13.6%	9	8.4%
South West	4,928,434	8.4%	15	14.0%
Wales	2,903,085	4.9%	1	0.9%
Scotland	5,062,011	8.6%	10	9.3%
Northern Ireland	1,685,267	2.9%	0	0.0%
Column Total	58,789,197		107	

Source: British BIDs and Census

In total, 23 BIDs have failed at the ballot stage, of which only one was in Scotland, Glasgow, which only narrowly failed to achieve the required threshold level for number of businesses supporting (by 1.75 percentage points) but passed on the other criteria (turnout and RV of businesses supporting).

A comparison of BID activity at the UK/Northern Ireland, and Scotland levels is provided in **Table 4.3**, over.

Table 4.3 BID Activity

	BID Term Years	No. of Hereditaments	Levy Rate	Y1 Levy Income	Turn-out	In Favour by Number	In Favour by RV	TC	Industrial	Other
All Yes Results	4.81	427	1.43%	£388.6k	45.8%	74%	75%	67%	22%	11%
All Live BIDs	4.92	429	1.46%	£371.4k	45.1%	74%	75%	67%	23%	10%
All No Results	4.83	393		£296.2k	50.3%	44%	39%	74%	17%	9%
All Scottish BIDs	4.82	382	1.35%	£208.8k	40.2%	69%	65%	91%	9%	0%
All Live Scottish BIDs	4.80	421	1.50%	£229.7k	44.3%	75%	71%	90%	10%	0%

Source: IDS Ltd; British BIDS

Some key trend data can be extracted from the analysis (references to Scottish BIDs are emboldened):

- almost all BIDs have been established for a period of five years, with only 12 BIDs (of which 7 have now elapsed) opting for a shorter operating period. The last BID to achieve a successful yes ballot of less than five years was in 2009 (Hams Hall) and the only BID in Scotland to opt for a shorter term (**Falkirk** at 3 years) recently secured renewal for a five year term;
- the average number of properties within the BID area is around 400 to 420, but there is a considerable range:
 - from 17 to 300 for the smallest and largest industrial BIDs (Canterbury and Witham)
 - from 132 to 2,500 for the smallest and largest town centre BIDs (**Clarkston** and Coventry);
- excluding those BIDs with banded payments, the average levy rate is around 1.5%:
 - ranging from 0.52% to 9% for the lowest and highest rate for industrial BIDs (Hams Hall and Canterbury)
 - 0.9% to 3.5% for the lowest and highest rate for town centre BIDs (Coventry and **Clarkston**);

- the average Year 1 levy income for all BIDs across the UK/NI is around £390k (current and elapsed), but there is a significant difference in the average rate for Scotland when Edinburgh is either included or excluded – £215k and £140k. Again there is a considerable range:
 - from £40k to £435k for the lowest and highest industrial BID (Hainault and Bolton)
 - £57k to £2.5m for town centres (E11 Leytonstone and New West End);
- turnout has generally been between 40% and 50%, with higher turnout recorded in unsuccessful BID ballots. Turnout has ranged from:
 - 24% to 88% lowest/highest for industrial BIDs (Argall and Canterbury)
 - 25% to 66% lowest/highest for town centre BIDs (Preston and Camden);
- the vote in favour by numbers is around 70-75%, ranging from:
 - 51% to 95% for industrial BIDs (Bolton and Hainault)
 - 54% to 95% (Winchester and E11 Leytonstone); and
- the vote in favour by RV is also around 70-75%, ranging from:
 - 55% to 99% for industrial BIDs (Bolton and Southern Cross)
 - 47% to 97% for town centre BIDs (**Kirkcaldy** and Great Yarmouth).

Scottish BIDs have generally performed in line with the wider UK/NI trends, with the exception of the profile of BID areas. To date, there has been a significant bias within Scotland toward town and city centres, accounting for 9 of the 10 established BIDs; and 10 of the 11 ballots. At the UK/NI level, town centres account for around two-thirds of all BIDs, with industrial BIDs making up a further one-quarter of the total.

While the focus is likely to remain on town and city centres, the profile is expected to change with the BIDs currently in development in Scotland:

- 14 town and city centre BIDs – Aberdeen, Dunoon, Edinburgh Grassmarket, Edinburgh West End, Giffnock, Hamilton, Largs, Lerwick, Kirkwall, Milngavie, Oban, Peebles, Penicuik and South Queensferry;
- one Tourism and Visitor BID – Inverness; and
- three Community and Business focused BIDs – Stranraer, Mull + Iona, and Carluke.

Beyond these BIDs, which are at the formal development stage, 12 notes of interest have been lodged with IDS Ltd and others have made enquiries – including business and industrial BIDs. If even half of these potential BIDs come forward, this will considerably expand the type and location of BIDs within Scotland, further testing their applicability in different circumstances.

4. Additionality and Future Intentions

Through the consultation exercise, interviewees were asked about the scope and scale of additionality associated with BIDs, and the five Pathfinder BIDs were asked about their intention to seek a further BID term through a renewal ballot.

This Chapter reports on feedback from the five Pathfinder BIDs, informed and expanded where appropriate with other consultee comments.

4.1 Additionality and Impact

The Pathfinders had a range of different pre-BID partnership arrangements:

- Glasgow and Clacksfirst had no formal structures focused on their respective BID area;
- Inverness had two separate groups, formal City Centre Management and a Traders Group, but with little cross-over between each;
- Bathgate had a Traders Forum and Town Centre Management Group (public/private/community) with good working links between each; and
- Falkirk and Edinburgh had formally constituted and funded public-sector town and city centre management companies.

Consultees thought that those that had formal pre-BID partnership structures had benefited as this had established a formal process of engagement with, and contact between, public and private sectors.

For Glasgow, the Pathfinder BID process is regarded as having generated significant benefits in developing a formal partnership structure, even though the BID itself was unsuccessful. The formal city centre Steering Group (established through the BID process) has continued, providing a good basis for consultation between key stakeholders in the city centre and the ongoing development/delivery of projects and proposals.

In terms of lessons from Glasgow, it would be inappropriate to say that the absence of pre-BID partnership was the major factor in the failure of the BID at ballot.

The most significant factor, as commented by a number of consultees, was the timescale of the ballot i.e. November 2008, as the scale of the economic downturn was becoming fully apparent and a number of UK High Street retailers were affected by the Icelandic banking crisis through debt and ownership ties.

Whilst pre-BID structures are regarded as beneficial, it is also recognised that the partnership structure established by the BID itself generates the greatest impact and benefit. In particular, consultees reported that previous non-BID structures did not allow them to plan effectively as funding was always provided on a year-by-year basis (largely from the local authority) and also on a project-by-project basis (largely from business donations and funding applications).

Project Activity

Selecting and developing projects is a critical element of the process. Project activity was agreed in advance of the BID through a consultation process that identified the needs and wishes of the local business base. Each of the Pathfinder BIDs developed a formal Business Plan that outlined the project activity that would be funded through the BID levy.

Drawn from the Business Plans, and as reported at Chapter 3.3, a review of the themes, objectives and activities of each of the Pathfinder BIDs identifies high levels of consistency. A key issue from this review is the high level of expectation that is raised in relation to leveraging external match funding. Whilst some of the Pathfinders have been very successful at securing match funding, this has largely come from two main sources – their respective Local Authority and the one-off Town Centre Regeneration Fund. Others have generated only limited external funding, despite high levels of aspiration stated in their Business Plan. There is a need for greater caution and more realistic expectation around external funding, particularly with current public sector funding restrictions.

Consultees clearly recognised the need for, and importance of, project additionality for the BID, with most citing the Service Level Agreement with their Local Authority, Police and other local partners. There was, however, less understanding on the issue of impact additionality i.e. even where the project is additional there is a need to ensure that it generates additional impacts for local businesses.

Some consultees clearly understood the difference between these two types of additionality and reported the need to focus on the latter i.e. the BID is charged with improving the trading environment for the businesses that pay the levy.

The project activity of the Pathfinder BIDs has largely focused around six main areas:

- delivering marketing and promotion, including events, activities and adverts;
- reducing crime and fear of crime, including taxi marshals, lighting and security initiatives;
- creating a high quality image and environment, including public realm and building improvements;
- maintaining high standards of cleansing, including maintenance of the public realm;
- providing advocacy and facilitation services, including lobbying with public sector partners; and
- improving accessibility – including signage, traffic management and car parking.

There is a *perception* that BIDs generate impact, but no real evidence

In general, consultees reported that project activity had clearly been additional in itself, and there was a *perception* that it will have generated additional impacts for BID area businesses. There is, however, no clear logic model or thought process as to the link between the two. This is considered in more detail at Chapter 5.

Some consultees reported specific examples of highly successful projects which have been warmly received by levy payers e.g. shopfront and premises improvements, and activities/events that draw additional custom into the BID area. Examples of projects that are regarded as less successful include one-off cleansing (particularly chewing gum removal) which has not produced lasting benefits, and events that generated limited benefits for levy payers e.g. where they were not in the core retail area, in the evening (when most businesses were closed) or did not otherwise maximise the potential opportunity to generate additional spend.

Demonstrating Impacts and Benefits

Consultees described a range of qualitative benefits that they believe BIDs generate:

- increased profile of the BID area, particularly important for town and city centre BIDs;
- removed the freeloading that is prevalent in voluntary membership schemes;
- brought businesses into a better networking relationship with each other and with public sector organisations at the local level;
- delivered projects that wouldn't otherwise have happened, and increased the value of other projects through additional leveraged investment; and
- demonstrated the benefits of a local delivery model through capacity building and access to additional funding sources.

Whilst consultees understood and accepted the need to demonstrate the impact of BIDs, it was acknowledged by all that performance measurement is difficult. Four key factors were identified by a number of consultees (including businesses) that detract from the ability of BID teams to measure their impact:

- the presence of other project activity within the BID area making it difficult to isolate and attribute BID impact;
- the external environment and socio-economic context within which businesses operate – this is particularly important for town and city centre BIDs;
- the extent to which the business and product offer meets users wants and needs and therefore the ability to generate more impact; and
- the reluctance of businesses to provide data on turnover and profit.

There was a split in the view of consultees about whether these factors make quantitative measurement of BID impact possible or not. Some acknowledged that impact measurement is desirable but that the financial and resource cost of doing so is prohibitive. In the main, consultees recognised the need for some form of impact measurement but reported that, to date, the Pathfinders have focused on measuring

activity and financial leverage. These are both important measures of success but don't necessarily demonstrate impact for those that pay the levy.

Whilst the study secured input from only a small number of businesses, previous reviews by EKOS and others were used to inform the findings, together with feedback from organisations that represent businesses e.g. Federation of Small Businesses. This suggests that businesses want to see some independent validation of the BID i.e. facts and figures on performance, benefit and impact.

Most of the Pathfinders (and subsequent BIDs in Scotland) reported collecting some data on the BID area. This largely falls into three categories:

- footfall data – largely obtained from Shopping Centre partners;
- crime – obtained from the police; and
- vacancy rates – collected by BID teams and local authority partners.

Feedback from consultees suggests that there is growing demand from businesses for quantified data on BID impact and performance measurement.

None of the BIDs have formal impact monitoring processes against which KPI data is recorded

None of the BIDs reporting having a formal Monitoring Framework against which Key Performance Indicator (KPI) data is recorded. Edinburgh comes closest with its Essential Trends newsletter which provides a quarterly review of trend data across the BID area. Some of the non-Pathfinder BIDs (in both Scotland and England) reported the use of shopper surveys (in-street and telephone) to gather data on behaviour and perception, but these are normally ad hoc and small scale.

Feedback from the Scottish BIDs is markedly different from their English counterparts. While the sample of English BIDs is small (four in total), all reported that they have formal processes for measuring KPIs and providing evidence of impact. Two in particular noted the requirement to issue an annual statement of benefit to accompany the levy bill – whilst not enshrined in Scottish legislation, and therefore impossible to proscribe, this requirement is identified as good practice, and should be commended to all BIDs. English BID respondents also reported the need for, and benefits of, having this data to support their renewal ballot.

Those BIDs that produced an Annual Review (in both Scotland and England) reported positive feedback from levy payers. In Scotland, Bathgate and Edinburgh produce formal Annual Reviews. This is an opportunity for the BID to report both qualitative feedback and quantitative data on activity and benefits. At the end of the BID term this data can be used as supporting evidence for the renewal ballot.

The final issues discussed with consultees under the 'Additionality and Impact' theme considered the difference that the BID has made to levy payer businesses, and to the BID area itself. The Pathfinder BIDs were confident that their efforts have made a positive difference. This is, however, a perception or judgement call as few have any real data on impact. Most reported that qualitative feedback from local businesses has been positive with little negative criticism. Most of the Pathfinders also record high levels of levy payment – generally 90% and above.

Consultees were much clearer on the difference that the BID has made to the area in general. The Pathfinders believe that they have generated positive results through an improved trading environment, and also greater cohesion between public/private sector partners. Bathgate in particular records significant change (as does Alloa) through Town Centre Regeneration Fund project activity, for which the BID is regarded as being instrumental. This correlates with feedback from the English BIDs (e.g. Plymouth), where some BIDs have levered significant investment for public realm works.

4.2 Future Intentions

Most BIDs are likely to seek a further term through a renewal ballot

Each of the Pathfinder BIDs was asked about their likelihood of seeking a further BID term through a renewal ballot. With one exception (where the consultee was unsure) the Pathfinders thought it likely that they would seek renewal, but recognised that it would be a decision for their Board.

Falkirk is the only BID in Scotland that opted for a three year term – it recently secured renewal for a subsequent 5 year BID term.

Assuming a decision to seek renewal, the Pathfinder BID consultees were asked if they were likely to seek any *major changes* against five criteria:

- the geographic boundary of the BID – most reported that they would recommend changes to the defined BID area for the following reasons:
 - core BID income is too low and unless the levy rate is increased, the BID area would probably need to be expanded
 - minor changes to include new developments and/or remove some peripheral areas
 - the area is too spread out and diverse creating difficulties in delivering project activity and benefits to suit all businesses;
- the length of BID jurisdiction – there was clear consensus that five years is the most appropriate BID term. This reflects the experience of BIDs in England with Heart of London increasing its term from two to five years, and Liverpool city centre increasing from three to five years;
- BID company structure (Board/Staffing/Funding) – each of the five Pathfinders reported recent or proposed changes to their operating structure, and the desire for further change. These include Board composition, staffing levels (too many/too few), core income (too low) and legal entity (change to a Company Limited by Guarantee and establishment of charitable trusts);
- project activity/delivery – there was a mixed response to this topic with two of the Pathfinder BIDs reporting recent or current reviews of project activity, two reporting minor change but no major alteration from the Business Plan, and one reporting that, with hindsight, they would change BID activity; and
- monitoring impact – based on the feedback reported above, the Pathfinder BIDs have undertaken very limited impact measurement. Three recognised the need for this (and with hindsight would have gathered relevant KPI data from the start, setting a clear baseline position) and are actively working toward a formal impact measurement structure¹⁸. Two of the Pathfinder BIDs reported that they are unlikely to make any major change in this area –

¹⁸ It should be noted that the 2006 Monitoring and Evaluation report provided guidance and set a baseline position on KPIs for the Pathfinder BIDs.

largely due to resource constraints, but also a perception that there is limited demand for data and it would not constitute value for money for those businesses that pay the levy.

The feedback from the Pathfinder BIDs outlined above is largely in line with comments made by other Scottish and English BID consultees.

5. BID Benefits and Effects

This chapter considers the type of effects and benefits that are likely to be generated through BIDs. It also outlines issues in relation to data gathering that have affected our ability to quantify outcomes and impacts.

5.1 Additionality

Feedback from consultees largely related the topic of additionality to the activities and projects delivered by the BID. Several commented on the need for a baseline service level agreement with the local authority and other statutory bodies to ensure that BID project activity did not replicate or reduce current and statutory services.

Project impact (rather than project activity) is what creates additional benefits for levy payers

The need to deliver additionality in relation to project activity is well understood by BID teams, but there appears to be a gap in the understanding of additionality in relation to project impact i.e. just because the activity is additional it does not necessarily result in additional impact for the BID area businesses.

It should not, however, be assumed that projects have not delivered additional impacts, merely that the concept is not regularly tested by BIDs, and very limited data is gathered against which impact could be measured.

In most instances the Pathfinder BIDs have established formal reporting procedures to secure Board approval – as noted elsewhere¹⁹. Enterprising Bathgate was an early adopter of this process and is recognised as developing good practice that other BIDs have subsequently adopted. This approach outlines the rationale, benefits and risks associated with projects and requests formal Board approval to proceed.

¹⁹ BID Good Practice Framework 2009; Enterprising Bathgate Interim Review 2010

Based on the feedback provided by those that were consulted (see Appendix A), the following types of impacts and benefits have been identified:

- generating additional footfall within the BID area;
- improved perception of the BID area;
- reduced vacancy rates in BID area properties;
- a greater sense of cohesion amongst BID area businesses; and
- better partnership and linkages between BID area businesses, public sector delivery bodies and other statutory authorities.

With a few limited examples²⁰, however, it has not been possible to quantify the scale of these impacts and benefits. This is an issue that requires to be addressed by BIDs in the future. Feedback from a number of English BIDs that have secured a successful renewal ballot suggests that data on impact has been (or would have been, if available) of significant benefit in demonstrating the additional value and impact that they have delivered.

One specific example relates to the Falkirk BID's Safe Zone / Safe Base projects²¹, which is reported as having generated £35,000 cost savings to the emergency services, with a 34% reduction in reported crime.

The project runs alongside the taxi marshalling service, which has been well received by the general public (twice as many people used the service in 2011 as in 2010), and by the emergency services (reported benefits of partnership working). Feedback from users suggests that the service has helped to enhance Falkirk town centre as a safe and enjoyable place to visit at night time.

A number of the Pathfinder BIDs sought to attribute success and additionality through leveraged funds from external sources. It is important to note that a significant proportion of the leveraged investment has come from public sector sources including Scottish Government's Town Centre Regeneration Fund and Local Authority investment.

²⁰ Examples generally relate to feedback/data from single BID area businesses, individual project activities, and/or ad hoc data gathering by the BID team.

²¹ £14k funding provided by Scottish Government; project ran over 11 nights from 3rd to 31st December 2010; activities include: engaging with and assisting people in the town centre through taxi marshalling (with police presence), creation of a safe base providing advice, support and treatment, and youth work interventions.

As presented at Chapter 3, the five Pathfinder BIDs generated around £2.25 million in external leveraged funding. This equates to almost 50% of total BID levy collected to date by the Pathfinder BIDs, but there is considerable variation between BIDs²², largely dependent on whether they secured Town Centre Regeneration Funding.

5.2 Measuring Impacts and Benefits

It is essential that BIDs generate, and are able to demonstrate, impact from their activities. In developing project activity the focus should always be on the ultimate beneficiary – who is it that benefits as a result of the project and what impact will it have on their business?

A logic model approach allows consideration of project activity from initial resource input to final project impact:

Logic Models describes the process from inputs to impacts

- inputs (what are you putting in?) – the resource cost i.e. how much time and money is needed to develop and deliver the activity;
- activities (what are you doing?) – what the project will do e.g. an events programme, marketing, taxi marshal scheme, environmental enhancement, etc;
- outputs (what is immediately achieved as a result?) – the immediate direct consequences e.g. 3 events, 500 visitors, 5 vacant shops occupied, etc;
- outcomes (what is achieved in the longer term?) – increased footfall, enhanced reputation, less anti-social behaviour; and
- impacts on businesses (what is the ultimate impact on BID area businesses?) – the long-term changes that occur i.e. increased turnover.

Whilst it is recognised that it is not always possible to quantify the impacts that project activity will have, this logical process allows the BID to understand the type of impact that the project will have and who the ultimate beneficiaries of the activity are.

As a largely private sector funded venture, the primary indicator of impact for all BID projects should be increased turnover for those businesses that pay the BID levy i.e.

²² Leveraged funding ranges from 4% (Edinburgh) to 200% for Pathfinder BIDs; and 20% (Elgin) to 850% (Alloa) for subsequent BIDs.

improved business performance. A limited number of other KPIs can also be used to set the context for this primary indicator.

To date, there has been limited activity on the part of the Pathfinder (or subsequent BIDs in Scotland) to undertake impact assessment, with the focus largely being on activity measurement. This is in contrast to feedback provided by the English BID consultees, most of which have been through a renewal ballot process.

Feedback from businesses identified a desire to see a mix of quantitative and qualitative data from the BID on both activity and impact. There is a clear need for a focus on impact measurement to demonstrate the difference that the BID has made, thus providing invaluable evidence to support the renewal ballot process. This does not necessarily require the development of a complex data system, but rather some simple KPIs that, if measured consistently over the life of the BID, could be used in the future to assess BID impact.

The preferred KPI relates to business turnover but it is recognised that there is often reluctance to provide this data to external parties. An appropriate method would be to track turnover feedback from a sample of BID area businesses – in absolute values or percentage point shifts.

As a proxy for this, other KPIs could include footfall in the BID area, property vacancy rates and customer spend. Data would need to be gathered on a consistent and regular basis to identify trends and allow attribution of impact.

5.3 Wider Catalytic Effects

Whilst the quantitative impact of the Pathfinder BIDs cannot be assessed (but is presumed) the evaluation clearly identified wider catalytic impacts and benefits that have arisen as a result of BID activity.

BIDs have been successful in developing a common sense of aspiration amongst its local business base. Businesses recognise that the role of the BID is to improve the local trading environment. The knowledge that there is a central body promoting their needs and interests helps to create some confidence about the future.

This is most effective where the BID takes full advantage of its potential advocacy role in working with local partners, particularly the local authority, to promote positive changes for the BID area. A number of BIDs have developed strong strategic partnerships with local organisations e.g. Inverness BID has been working with Highland Council to prepare a Development Brief for the city centre.

The advocacy role of the BID helps to define the needs and aspirations of the local business base, and creates a recognised body for the local authority and other organisations to discuss with, giving businesses a role in shaping future policy and strategy. This helps to build a common sense of purpose and trust between businesses, the local authority and other organisations.

6. Rationale and Future Government Support

Through the consultation exercise, the rationale for establishing BIDs through a Pathfinder process was tested, along with views on the need for future support from the Scottish Government for established and developing BIDs.

6.1 Rationale

There is significant support for BIDs from a wide range of consultees

It is important to note from the outset that there was almost unanimous support for, and commitment toward, BIDs from the individuals and organisations that participated in the consultation process, citing their potential to generate additional benefits and impact, but in the main recognising the failure to capture and quantify these.

Those that differed from this view were largely supportive of BIDs, but expressed reservations about their near monopoly on public sector funding support for town centre and place regeneration initiatives. The Scottish Government has continued to provide support to the establishment of new BIDs (and the operation of existing BIDs through IDS Ltd) but beyond the Town Centre Regeneration Fund in 2009/10, it has not provided funding support for other town/city centre regeneration activities.

The promotion of BIDs has therefore been viewed by some consultees as being at the expense of other forms of direct support.

The Pathfinder Process

The Pathfinder BID process involved the six BID teams working together (as well as working separately on their own BID project) to test the BID concept. This involved regular meetings and workshops to review progress, study trips to established BIDs in England, and joint meetings with key stakeholder organisations e.g. the Inter Bank Rating Forum. All of this activity was co-ordinated by the Scottish Government's BIDs Director, who also maintained close contact with individual BID teams throughout the process.

This process is regarded as being essential to the successful introduction of BIDs in Scotland. Without the combination of legislation with seedcorn grant and Scottish

Government resource support, most consultees believe that few, if any, would have been established in Scotland. This is affirmed by comments made by consultees in the wider UK and Northern Ireland context.

There was general consensus on the rationale for the Pathfinder process:

- to test the legislation and give clarity on the process;
- to demonstrate that BIDs could be successfully established in Scotland; and
- to test whether businesses were interested in BIDs and would engage in the process.

There was competition across Scotland to become one of the Pathfinder BIDs – for the six that were successful, their rationale for participation varied, but can be summed as:

- to develop a sustainable funding model for place regeneration;
- to address decline and deliver positive business impacts; and
- to create a single cohesive body that could represent business interests.

Overall, consultees reported that their expectations from the Pathfinder process had been met, and all reported that it has been a good test of the process. There was general consensus that the use of a similar process would be appropriate for the introduction of new legislation and initiatives in the future. The mix of legislation, seedcorn grant and central resource support was particularly lauded as being critical to the success of BIDs in Scotland.

The Pathfinder BIDs nurtured and encouraged the development of subsequent BIDs

As reported later, one of the major benefits has been the development of a sense of responsibility on the part of the Pathfinder BIDs. With the exception of Edinburgh (which was viewed by most consultees as being less engaged in the process), the other four established Pathfinder BIDs have helped and supported new BIDs (at both development and delivery stages) through the provision of advice and guidance.

This support was noted by a large number of consultees as being of significant importance in championing the establishment of further BIDs in Scotland.

The Pathfinder process itself appears to have been relatively straightforward. Some concerns were expressed about the selection process as both Glasgow and Edinburgh were successful – this was viewed as a political decision.

Consultees that were closely involved in the Pathfinder process reported that there was a major learning curve for everyone involved. While there were examples and experience from other places (particularly England) the Scottish legislation was different (as was the socio-economic-political context) and had to be interpreted for practical application.

Pathfinder BID consultees reported that the process itself was beneficial as it allowed those involved to meet on a regular basis to review progress, discuss issues and consider their next steps – learning from each other. This close working relationship engendered a sense of trust and partnership with consultees reporting that good relationships were developed, and have continued.

Supporting Infrastructure

Consultees were asked to comment on the importance of the supporting infrastructure – the seedcorn grant and IDS Ltd (funded by Scottish Government) as the central support body – and for the Pathfinder BIDs themselves, what they thought would have happened without this infrastructure.

With the exception of one person, who believes that the seedcorn funding for Pathfinders was excessively high, all those that commented on this topic believe that the supporting infrastructure was essential. The grant is regarded as being of critical importance in securing the interest of local partners, both public and private. It has allowed dedicated resources to be allocated to the development of BIDs, providing an effective test and demonstration of applicability in a professional and well-resourced context.

The non-Pathfinder BIDs in Scotland were also asked to comment on the importance of the Scottish Government seedcorn grant – again all unanimously reported that it was essential in securing local interest and commitment for their BID. It has played a key role in generating continued interest in BIDs from a range of different places and organisations across Scotland.

Many of the consultees reported that the current grant (maximum £20k, which is normally matched at the local level) has been critical in leveraging investment that otherwise would not have been available. It is seen as a key lever in generating interest from public sector organisations (largely Local Authorities) but also from local businesses. This is likely to be increasingly important as public sector funding becomes more constrained in the future.

The development grant and the support of IDS are regarded as critically important

Allied to the seedcorn funding, both Pathfinder and non-Pathfinder BID consultees reported that the role of IDS Ltd (funded by Scottish Government), as the central support body, has been of critical importance in the successful introduction of BIDs in Scotland.

Consultees were asked to comment on three scenarios:

1. introduction of the legislation without the Pathfinder grant or the central support of IDS Ltd – most reported that there would have been some initial interest, but as the process is very resource intense and there are major legislative complications, few if any BIDs would have made it to the formal ballot. Those that did would probably have been established town centre management schemes in larger local authority areas. Others believe that without the supporting grant and infrastructure, nothing would have happened beyond some initial interest which would quickly have faded;
2. legislation and seedcorn grant but no central support through IDS Ltd – consultees generally believe that there would have been roughly the same level of interest (compared to the actual situation) but that the benefits of working in partnership and sharing experiences would have been lost. One consultee commented that without the supporting infrastructure their BID would have stalled early on, thereby wasting the grant that they were awarded; and
3. legislation and IDS central support (funded by Scottish Government), but no seedcorn grant – consultees believe that without the grant there would have been limited interest from local stakeholders, with only a few moving forward to the BID ballot. Those that did proceed, while fewer in number, would have demonstrated significant commitment and therefore be likely to deliver a high quality impacts.

There was unanimous consensus that the approach adopted by the Scottish Government was good practice – the seedcorn grant was needed to generate initial interest and secure local commitment, the central support of IDS Ltd was critical in providing practical information and supporting BID teams to deal with difficult issues. This created a structured approach to the introduction of BIDs in Scotland that is regarded as professional and high quality.

There was a mixed response to whether the grant or the central support provided by Scottish Government was of greatest importance. The grant is essential in generating initial interest, but IDS Ltd is what generates the added value from the process. The vast majority of consultees reported that the combination of the grant and supporting infrastructure were of significant benefit, and that both should be available to developing BIDs in the future.

The benefits of IDS Ltd as the central support body were identified by consultees as:

- providing a formal mechanism for established and developing BIDs to share information, experiences and good practice;
- providing a dedicated on-call resource with the IDS Ltd Director in a co-ordinating role, available to established and developing BIDs as well as those considering the potential applicability of a BID for their area; and
- providing a framework for established and developing BIDs to discuss and share problems, and test what solutions have worked best in different situations.

IDS Ltd, funded by and acting for Scottish Government, is recognised as being instrumental in maintaining the focus on generating interest in BIDs in Scotland.

Two minor concerns were noted by consultees:

1. the focus of IDS Ltd has primarily been on supporting the establishment of new BIDs – whilst the quarterly update meetings for established BIDs continues and the IDS Ltd Director is available via telephone, there is no protocol to work with established BIDs that may not be reaching best value or quality. It was suggested that a proactive approach may be appropriate to offer dedicated support to improve quality. There is, however, a balance as BIDs are private business-led vehicles and there is no jurisdiction for IDS

Ltd to intervene. There may, however, be benefits to be gained to the reputation and quality of BIDs in Scotland by offering tailored support on a proactive basis; and

2. the quarterly BID meetings for established BIDs – while these are viewed as being of benefit, some suggestions were made to increase their value. Notably consultees suggested a greater focus on sharing learning and experience from each other, and discussion around common issues that arose e.g. dealing with businesses that have not paid their levy.

Finally, under the rationale theme, consultees were asked to comment on the extent to which non-Pathfinder BIDs have benefited from the knowledge and experience of Pathfinders. For those that commented, there was unanimous recognition that the Pathfinder BID process generated wider and longer term benefits for others. The Pathfinders tested the process and demonstrated the potential for BIDs in Scotland – this is regarded as beneficial in generating business support for subsequent BIDs, particularly where the Pathfinder BID Managers have met with developing BIDs and shared their practical experiences – both the up- and the down-sides.

Overall, consultees felt that businesses are likely to be more convinced about the potential value of a BID because the process has been tested in places that businesses know and can relate to.

The experience of the Pathfinders BIDs established key lesson for subsequent BIDs

Non Pathfinder BIDs reported that they had learned key lessons from the Pathfinders – partly through the development of the Good Practice Guide but also through face-to-face meetings and telephone contact with others that had already been through the process. Their experience has shaped subsequent BIDs, helping to identify what to do and, importantly, what not to do. These lessons are generally regarded as sensible and straightforward but only with hindsight – they have been of significant benefit in the development of new BIDs.

6.2 Future Government Support

Consultees were asked about their views on the need for continued Scottish Government support for BIDs in Scotland.

There is strong consensus that the Government should continue to support BIDs – both new and established

With one or two minor exceptions or caveats, consultees were strongly of the opinion that the Scottish Government should continue to support BIDs in Scotland through both the seedcorn grant and also the advice and support provided, on behalf of Scottish Government, by IDS Ltd.

The £20k seedcorn grant is regarded as essential in securing the match funding (or in-kind resource input) at the local level, and is considered to be a major incentive in generating interest from businesses. This reflects the comments outlined earlier (Chapter 6.1) about the importance of government funding in leveraging local resource input, particularly from local authorities.

Consultees believe that without the seedcorn grant there would be a significant drop in interest, few new BIDs would be formed, and these would mainly be located in larger and wealthier towns. This fails to address the need and opportunity for development and regeneration in other places.

Consultees expressed equally strong views about their desire to see the central supporting role of IDS Ltd continue in the future. This is regarded as critical for new and developing BIDs, but also to continue to share good practice and experience amongst the established BIDs. A strong sense of responsibility has developed amongst the 10 established BIDs in Scotland, and particularly from the Pathfinders, in supporting developing and new BIDs – this is largely attributed to the personal contacts generated through the quarterly meetings facilitated by IDS Ltd.

There was a mix of views as to whether the grant or the central resource of IDS Ltd was more important, but a unanimous view that the loss (or reducing in scale) of either would adversely affect future development and performance.

7. Conclusions and Recommendations

This final chapter draws together the findings of the evaluation – it presents conclusions against the original study objectives and outlines key recommendations for the future development and delivery of BID in Scotland.

The Pathfinder BID process has been highly successful in supporting the introduction of BID in Scotland

The overall findings of the evaluation are that the Pathfinder BID process was highly successful and effectively demonstrated the potential for the use of BID as an appropriate tool to deliver place regeneration. It was implemented and functioned as expected, and demonstrated the potential for the use of BID as an appropriate tool to deliver place regeneration.

While there is a perception that the individual BID have generated additional impacts and benefits for those businesses that pay the levy, there is limited evidence from which an assessment of quantification can be made.

The role, and continuation, of IDS Ltd as the central support body was identified as good practice that could be incorporated in other settings, particularly in the UK context. This, combined with the Scottish Government seedcorn grant has supported the creation of 10 formal BID, with a further 18 at the development stage. This has levered additional resource from other partners at the local level, most notably from Local Authorities.

The experience of Glasgow demonstrates the wider benefits of a BID in terms of their advocacy role. While Glasgow was unsuccessful at ballot, the process was successful in establishing a formal public-private partnership focused on the city centre; this was not present before the BID, but has continued after the ballot.

In Scotland, the focus of BID has largely been on town and city centres, with only one established business park BID – this is in contrast to the activity in England where one-third of all BID are outwith town/city centres. It is therefore difficult to draw conclusions around the applicability of BID in settings beyond those already tested in Scotland, and a need to monitor future activity to ensure that where a BID is taken forward, it is the most appropriate delivery model.

Over recent years the needs of towns and city centres have become increasingly prominent in Scotland. IDS Ltd has played a key role in highlighting these needs and generating support from key stakeholders –public, private, political and community organisations.

7.1 Study Issues and Objectives

As outlined at Chapter 1.2 the purpose of the evaluation was to assess process and performance of the Pathfinder BIDs, consider evidence for outputs and impacts, identify good practice lessons, and provide written output that can be used to support development of future BIDs.

This section considers the findings against the core study issues and objectives, as outlined in the original research brief:

- to evaluate the Scottish Governments Pathfinder BIDs to appraise their effectiveness in delivering projects and services of benefit to the levy payers, their contribution to local and national outcomes, local strategies and policies and the Scottish Government’s central policy purpose of sustainable economic growth:

All Pathfinder BIDs delivered projects in line with their Business Plans, as voted for by businesses at ballot. While it was a small sample size, the feedback from businesses (and their representative organisations) was positive in relation to project delivery.

There has been limited consideration by BIDs of local and national outcomes, or recognition of their potential role within the strategy and policy context. This is unsurprising as they are business-led, and not public sector-led organisations, but there is an opportunity to develop greater strategic links (the recent work by Inverness BID in developing strategic relationships with the Highland Council is a good example) that will give greater input by businesses to the future growth and development of their BID area. A review of the potential contribution that BIDs could make to the Government’s national outcomes is presented at Appendix D.

By improving the commercial operating environment within which BID area businesses operate, the BID has potential to contribute to sustainable economic growth.

For every £1 invested by Scottish Government in the Pathfinder BIDs process, almost £10 BID levy income will be generated on average over their first full term. The value for money of subsequent BIDs is significantly higher at £32.20 BID levy return for £1 Scottish Government financial input.

- to explore examples of best practice (additional to those already identified) so far in the establishment of BIDs in Scotland

The leading best practice outcome from the evaluation has been the finding that the Pathfinder process itself represents best practice in supporting the introduction of new legislation. The combination of legislation, seedcorn grant, central resource support, and continuous networking, supported the successful introduction of BIDs in Scotland. The continuation of this combined support has supported the creation of a further five BIDs, with 18 at the formal development stage and a number of others enquiring.

The review of Scottish BIDs against UK activity, demonstrates that, with a considerably later start, the Scottish Government and latterly through IDS Ltd has delivered a high number of BIDs within a short space of time and that this would not have been achieved without the dedication of the Project Director and the formation of IDS Ltd.. It is likely that activity in Scotland will overtake the UK average over the next two years.

Good practice from the Pathfinder BIDs has largely been established and presented elsewhere. A summary of good practice from Pathfinder and subsequent Scottish BIDs includes:

- *Pathfinder BIDs:*
 - *Bathgate – annual reviews, business communications*
 - *Clackmannanshire – BID intro pack, levy collection rate*
 - *Edinburgh – data collection on BID area statistics*
 - *Falkirk – Council resource input, transition from TCM to BID and the Safe Base/Safe Zone outcomes*

- Glasgow – business-led approach with continued input
- Inverness – advocacy and BID input to strategic development plan
- Non Pathfinder Scottish BIDs:
 - Alloa – range of levy rates, BID Manager/Chair comms
 - Clarkston – business-led approach with Council support
 - Dunfermline – leveraged support from Council
 - Elgin – strong partnerships, including the Council
 - Kirkcaldy – leveraged support from Council
- to assess the effectiveness of BIDs in terms of the actual projects delivered and the impact the BID has had in relation to the local business community and the wider community

There is limited direct evidence around the impact that BID activity has had in relation to business performance – this would require evaluation of the impact of individual BIDs. This is one of the central downsides of BID activity, but as business-led organisations there is no mechanism (nor would it be appropriate) to force BIDs to measure performance and impact. There appears to be a shift in the attitude of businesses over recent years, and greater demand for the BID to provide performance data and facts to businesses.

In its 2008 Business Plan, Falkirk developed a BID Project Plan that is recommended as Good Practice. This plan outlined: Actions, Timing, Measurement and Impact against each individual BID project, giving businesses an understanding of the types of impact that were expected. The plan is an important first step in understanding effectiveness, but updated data has not been presented by Falkirk BID to demonstrate impact.

Preparation of an Annual Review – outlining project activity, facts and figures about the BID area, and business/user feedback – is recommended as good practice.

The outcomes of the study should address the following questions:

- what are the types of issues that have emerged so far in relation to setting up BIDs?

A wide range of issues have been identified in this evaluation, and other Scottish BID research. Key issues identified in this evaluation include: the need for central support (financial and resource) at the pre-BID development stage; the limited inclusion of property owners; the predominance of town and city centre BIDs in Scotland; and the failure to measure and understand the impact of BID activity on its businesses.

- what examples of best practice can we identify with regard to areas such as business plan development, partnership working and legal structures?

Best practice in relation to Business Plan development is outlined in the BIDS Good Practice Framework – one additional learning point from this evaluation is the tendency to over-promise (at the pre-BID stage) in relation to leveraged income. Outwith the Town Centre Regeneration Fund (which provided significant external grant income) leveraged income has largely been drawn from the local authority, private advertising and sponsorship, and a small number of charitable funds.

It would appear that all BIDs have developed good partnerships with their respective local authority, with some having greater strategic links and/or guaranteed financial/resource support than others. Best practice in relation to partnership working recognises the role that the BID has in giving a representative voice to the businesses in its area – this is most effective where the BID has developed a strong strategic partnership with key organisations and agencies, particularly the local authority.

The most effective legal structure for the BID is the Private Company Limited by Guarantee, as used by nine of the ten established Scottish BIDs, with Falkirk recently changing to this structure for its second term. BIDs should, however, consider the benefits of establishing a separate charitable company which may open access to additional grant funding opportunities, and can be financially efficient for some project activity.

- what works and what doesn't, for example, in terms of procurement processes and company structure?

There is some hesitancy on the part of BIDs with regard to joint procurement at the national level, with a preference to procure as much as possible at the local level. There is, however, an opportunity for IDS Ltd to continue development of joint procurement in relation to those services that cannot be procured locally (e.g. utilities) and/or where central procurement could offer major cost savings (e.g. insurances).

IDS Ltd is currently developing a core of central procurement services for BID area businesses. One example of success relates to energy and water reviews, where audits have identified potential savings at an average of £480 per business per annum.

*As outlined above, the most effective company structure is the Private Company Limited by Guarantee. The company should employ BID staff and have complete autonomy from other organisations – it is critical that it is also **seen to have** autonomy by the businesses that pay the levy. The company should have an independent Board with members predominantly drawn from levy payers (and representative of them) but including key local organisations, particularly the local authority as critical local partners and most likely funding source for project delivery.*

- what lessons can we learn from the start-up experiences of these initial BIDs?

The critical learning outcomes from the Pathfinder BIDs are two-fold:

- *the benefits of being part of a wider group in testing the concept and launching new initiatives – i.e. sharing knowledge and experience in undertaking consultations, developing BID proposals and Business Plans, and the ballot process*
- *the need for public sector grant funding to support the development of BIDs at the pre-ballot stage, and to support ongoing project development and delivery through a central support body*

Additional learning from subsequent BIDs, particularly Clarkston, is around the need to obtain external resource input to ensure the financial sustainability of the BID over the delivery stage, and avoid significant BID levy expenditure on non-project related costs – salary, office, insurances, etc.

Emerging lessons from current developing BIDs identify the potential opportunity to use the BID mechanism to promote area regeneration in small communities e.g. the current work with the Mull and Iona Development Trust. BID legislation is being used to develop a central structure through which project activity will be delivered, but the outward appearance of the organisation will remain as a Development Trust.

7.2 Final Conclusions

This section presents formal conclusions arising from the evaluation findings:

- the Pathfinder process successfully engendered partnership and trust between the Pathfinder BIDs – this supported open and frank discussion around issues, opportunities and constraints in the initial stages, and benefited the development process for the Pathfinders;
- the Pathfinder process also developed a sense of shared responsibility on the part of the Pathfinder BIDs to support new BIDs – most have provided time and support to developing BIDs from other areas, allowing key learning points to be incorporated and generating confidence amongst the business community about the process;
- most of the established BIDs in Scotland secured a high degree of partnership and financial support from their respective Local Authority but there are some exceptions, notably Clacksfirst and Inverness. Inverness has not received financial or in-kind support from the Highland Council but over the past year has built a strong strategic relationship with the Council. While Clacksfirst has secured resource support, it has not received financial contributions from Clackmannanshire Council.

Whilst 10 BIDs is a small sample from which to draw firm conclusions, it would appear that where BIDs do not secure the financial and resource input of their respective local authority from the outset this is unlikely to be forthcoming after the BID is established.

- the applicability of BIDs in neighbourhood and village settings remains to be tested in Scotland – Clarkston is the only very small BID and generates only limited annual levy of £60,000. It has been established for less than one year and it is too early to identify whether it will be financially viable or not. It is clear that it relies heavily on the in-kind support of the Local Authority and Chamber of Commerce.

Given the smaller average scale of settlements in Scotland compared with England, there is a need to consider the local infrastructure (i.e. existing organisations) that already operate from any proposed BID area. This will help to determine whether a small area BID can be sustainable, and should be supported with Scottish Government seedcorn funding with, or without, external guaranteed resource input (money and people) over the full proposed BID term;

- the Scottish Government seedcorn grant for developing BIDs has been critical in generating interest, both from the Local Authority but also from the local business community. If the level of activity generated in Scotland is to continue, there is a clear need to continue to provide this grant funding. There may be an opportunity to remove this in the longer-term, but there are not enough examples of success (nor demonstrations of impact) at present to give sufficient confidence to either businesses or other public sector funders;
- BIDs have only been tested in limited settings in Scotland, largely town and city centres. There is insufficient experience to confirm whether they are an appropriate tool in other contexts, but there appears to be demand from a range of other areas and therefore a need to closely monitor their success. There is a need for BIDs to be set within the context of the local infrastructure (organisations, strategy and capacity) that will be required to support project delivery.

It is, however, too simplistic to talk about the success of BIDs in a purely financial manner. It is clear that all of the 10 established BIDs in Scotland have generated additional project activity, and although not possible to quantify the impact of this activity, anecdotal evidence suggests that BIDs are helping to build and sustain the economic viability of their area.

As outlined in the theoretical evaluation framework (Chapter 2), BIDs also have a wider impact in raising the aspirations of businesses and generating positive interest in the future development of their area through collective action. To some extent, there may be a future difficulty (particularly for small area BIDs) that expectations may exceed the capacity of the BID to influence and generate positive change.

- the project activity of the Scottish BIDs has largely focused around six overarching themes (as outlined at Chapter 3) with most new BIDs following the example of their Scottish predecessors i.e. largely delivering traditional town and city centre management and related marketing/events. More recently Inverness has worked with the Highland Council to develop a strategic approach to the development and regeneration of the city centre, moving the BID into a more formal advocacy role. There is an opportunity to consider more innovative project activity, particularly for the larger BIDs, learning lessons from some of their English counterparts, for example the Lincoln BID team are funded by their local authority to manage the city's tourist information centres;
- the failure of the Pathfinders (and subsequent Scottish BIDs) to consider impact additionality, as opposed to project additionality, is a major drawback in demonstrating value for money, both for the Scottish Government investment but also for the businesses that pay the levy. The Pathfinder BIDs were awarded significant sums of public sector funding to assist their development – in return, a key requirement should have been to gather KPI data against a number of indicators that could have been used to demonstrate the benefits and impacts of BIDs and thus generate interest and confidence amongst other partners (public and private) to lead the process without the need for continued Government seedcorn grant; and

- whilst Scottish BID legislation includes the provision for inclusion of property owners as levy contributors, only two (Clacksfirst and Inverness) have made provision for their inclusion. Others have only included property owners where the property is vacant. It is likely that property owners secure long-term benefits from a BID through increased value, and therefore it is appropriate that they contribute. It is right that the scope of the BID is determined at the local level but there is an opportunity to promote the inclusion of property owners in the development of new BIDs.

7.3 Future Recommendations

The final section of the evaluation presents a number of overarching recommendations that would improve the performance, viability and reputation of BIDs in Scotland.

Overall, BIDs play a key role in driving regeneration, creating economic stability and growth, and are an effective mechanism for public-private partnerships that are rooted within their local communities. There is strong alignment with the Scottish Government's focus on finding successful models to delivery place-based policy that deliver local and national outcomes.

BIDs create an opportunity for greater partnership working between public and private sectors, with potential for best value in relation to local service delivery through a total place management approach. Through a formal partnership with businesses, local authorities could enhance local asset management, creating positive benefits for residents, businesses, employees and investors.

The evaluation of Scotland's Pathfinder BIDs has identified key lessons which lead to a number of recommendations for future BID activity in Scotland.

- the current approach to development of BIDs in Scotland is recognised as best practice and should be continued – this requires the continued provision of the seedcorn grant to developing BIDs (which is crucial in securing local support) and continued provision of co-ordinated central support through IDS Ltd (which supports the transfer of learning and good practice);

- standard KPIs should be developed against which future BID impact and performance can be measured. This would require inclusion of a formal condition within the Scottish Government grant offer for developing BIDs, and would also rely on established BIDs voluntarily agreeing to collect data. If successful, this would form a solid base from which future impact assessments could be made – at both the individual BID and national levels;
- the established English practice of issuing annual performance statements to accompany the BID levy bill should be encouraged. A number of Scottish BIDs have produced information and leaflets – most notably Enterprising Bathgate’s ‘BID in Progress’ which reviewed BID performance. Production of a formal Annual Review that outlines activity over the past year and presents financial data would allow levy payers to understand progress against the expected benefits/performance outlined in the Business Plan; and
- there is an opportunity to expand the scope and scale of BID activity in Scotland. Scottish BID legislation is very flexible and would allow establishment of sectoral and thematic BIDs. There is, however, a need to carefully consider the financial viability of very small BIDs, which will rely on substantial supporting infrastructure and/or guaranteed external funding.

Appendix A: Stakeholder Consultee List

Pathfinder BIDs

Clacksfirst – Bill Harvey

Enterprising Bathgate – Sam Crawford and Suzanne Scott

Essential Edinburgh – Liz McAreavy

Falkirk Inspired – Alistair Mitchell

Glasgow – Jane Harrison

Inverness – Mike Smith

BID Area Businesses

Alliance Boots – Andy Godfrey (numerous)

Chisholm Highland Dress – Duncan Chisholm (Inverness)

Events for Business – Janet Toreley (Dunfermline and Kirkcaldy)

GS Lighting – Graham Struthers (Clacksfirst)

Non-Pathfinder Scottish BIDs

Alloa – Andrew Mitchell

Clarkston – Danny McKendry

Dunfermline Delivers – Susan Hughes

English/Welsh BIDs

Bedford – Peter Jones Hills

Heart of London – Jeremy Brown

Liverpool – Anne Mills

Plymouth – Patrick Knight

Swansea – Russell Greenslade

Stakeholder Organisations

ATCM Scotland – Andy Kennedy

Dept for Social Development, Northern Ireland – Bébhinn Ni Bhriain

Federation of Small Businesses – Mary Goodman

Improvement Districts Scotland – Ian Davison Porter

Scottish Tartans Authority – Brian Wilton

VisitScotland – Ken Massie

Welsh Assembly Government – Mike Cuddy

Appendix B: Stakeholder Consultee Proforma and Feedback

Rationale

X organisation was initially opposed to BIDs at their introduction in Scotland because there was a sense that small businesses would be unfairly railroaded into them and no opt out. They were concerned that businesses would have to fund with limited benefits. Worried some would see benefits (e.g. retailers) but others (e.g. offices) wouldn't.

Now lots of ground-level support for them – businesses seem to want to see them continue. X position has now softened – would say that “BIDs are one of many tools that could be used, but not necessarily appropriate in each circumstance” – should be based on local justification. This reflects the views of others.

Thinks the 50% target volume/value is good safeguard for small/large businesses.

1. What is your understanding of the rationale for the Pathfinder BID process?

Think it needed the influence of Pathfinders to show what could be done.

Money and BIDS governance – rationale was that this is the only way that BIDs would take off in Scotland – thinks it was the right way to introduce them. CLG adopted a similar approach in England.

Thinks that Pathfinder was an appropriate route to introduce a new venture and would support this for future initiatives. It gave clarity on the process (once the BIDs were selected). It needed a critical mass to take it forward and wouldn't have got any interest without the seedcorn grant and BIDS governance structure. Thinks that it was important to have a broad selection of types of places through the Pathfinder – not sure if six was enough – arguments for more/less.

Thinks that having an umbrella organisation to support development of BIDs and drive quality is very helpful. Seen lots being established through regional governance. Thinks London is now one of the strongest areas of the UK for BIDs and now lots of examples of what to do and how to do it, and examples of success that others can aspire to.

Thinks that Scotland having a central body (IDS Ltd) has definitely helped to increase the number of BIDs but worries that there has been more focus on quantity than quality, especially for after-care support. If quality is patchy thinks that credibility may suffer and might come back to haunt you. One example would be the issue in relation to management of X BID where costs are exorbitant. Or X BID where there were issues about communication and lack of business engagement. Nobody is willing to step into these BIDs and offer support before it becomes a major issue to be addressed – his experience is that they'd bite someone's hand off, rather than turn them away, but understands that there is no basis on which BIDS (or other) could force intervention. Thinks that BIDS needs to beef up the aftercare support but recognises this needs to be by mutual consent as don't have any authority to meddle if the BID Board doesn't want them, so will be more about encouraging.

Scot Govt wanted to get additional capital/business/technical input into cities/ towns and this was a way to make it happen with a bang – do as a group, and launch as a formal process. From what they've heard, thinks it was an efficient process.

Not involved at the very start but perception is that they would have others to bounce ideas off – they got the gist of BIDs from English experience.

Was about testing whether there was a successful opportunity to introduce the BID legislation in Scotland and whether businesses and the wider community would engage with the process.

Thinks they were dipping their toes in the water – wanted to test BIDs in Scotland to see if they worked and could then be rolled out. It was an experiment.

2. [What were your expectations from participation in the Pathfinder process? Purely financial?](#)

No, not purely financial. In X BID there were two active organisations but didn't get on and didn't work together. Someone previously involved in X BID saw the benefits of stakeholders coming together. Pathfinder was an opportunity for businesses to come together to improve place. BID has now formalised this.

Pathfinder was seen as a good opportunity by businesses and LA. It came along at the right time and was important in promoting the BID and getting everybody enthused about the concept.

*Wanted funding to develop the new idea – no prior knowledge/awareness of BIDs.
Didn't have any real expectations – hoped that there would be positive outcomes. Once they fully understood BIDs were committed to seeing it through.*

Wanted to get the grant - LA was chasing the money.

Was important that they were involved at the start. Also wanted to test whether it could be used to improve the place, were keen to be involved in BIDS ASAP.

To test the process and see if place could be moved over to BID (retaining the existing LA support).

3. To what extent do you think the reality lived up to expectations?

By its nature (Pathfinder process) there was no previous experience that they could learn from. Major criticism (with hindsight) was that not enough guidance was provided on the reality of running a BID – it needs to be able to do three things:

- 1. run the activities of a business – deliver projects*
- 2. organise the running and management of a company*
- 3. have an advocacy/political role in bringing stakeholders and partners along as part of the process.*

Doesn't think there was enough practical advice on the realities of running a company. Understands that because it was a Pathfinder process everybody was learning as they went along. Still not sure there is enough focus by BIDS on management/governance criteria for BID Managers and Board.

Don't think X BID set strong enough objectives – four key objectives and they're not very challenging. Wants to significantly raise aspirations and impact on businesses. The focus should not be about economic development but about economic benefit. The primary stakeholders are the levy payers – needs financial and resource investment/brand profile/improved reputation.

Thinks yes, it was a good test of the process and proved it could work.

Thinks Pathfinder was a good process and gave good support to those involved. The mix of places was good as it allowed a broader spread of learning for the BIDs that followed.

4. What are your views on the partnership structure developed for the Pathfinder BIDs? (e.g. added value of the partnership, sharing experiences, necessary evil)

Think it worked well because it was the first time the Pathfinders came together to share their experiences and knowledge – some were more/less informed about the process.

There was willingness from everyone to work together, but X BID had a prima-donna attitude from the start and was never as involved as the others.

When speaks to BIDS is largely dealing with the practicalities of how a BID operates e.g. what is the role of the LA rep? Response tends to be theoretical rather than practical, and thinks that BIDs would benefit from closer and more practical knowledge coming out of the BID group – what is the reality of collection rates, how do others do it, what works, etc. Would like more practical advice/guidance on what works – good and bad practice from other BIDs.

Thinks there is a weakness where the LA is not fully joined up with the BID in supporting development and delivery.

Thinks the partnership was good and helped the process – nobody had done a BID before and it helped to raise/share issues with others. Found X BID more useful because they are a similar size but had much more experience. They continue to speak regularly.

Thinks the process was good and can't think of any ways to improve it.

It is useful to share experiences – good to meet other BIDs on a regular basis.

BIDs has a wealth of knowledge and info and central source of best practice.

Thinks it was a good process – in part it was a necessary evil but it was also helpful. Knew enough before but from what heard it was largely janitorial and take-over of LA services. Presentation by X person was what persuaded them that it could be good – spoke about all the other stuff that a BID could do.

5. Overall, how easy was the pathfinder programme process – funding applications, processes, and arrangements?

There were major learning curves for everyone because the legislation was new and had to be interpreted for practical application. Not many people in Scotland really understood BIDs and their potential.

Easy – got 2 tranches of funding – thinks BIDS was good at handling different interests.

Can't comment as wasn't involved but finds BIDS accessible and helpful.

Thought it was fine – selection was a bit of a stitch-up as Glasgow/ Edinburgh both got through as a political decision. No issues over application process – straightforward.

Thought it was a beneficial and relevant process.

6. **How important was the pathfinder funding to your BID or in general?**

Essential – legislation with no money/support – nothing would have happened as not enough knowledge in Scotland – all conferences were focused on English examples and largely town/city centre management schemes.

Thinks that the original Pathfinder £ from Scot Govt was too much and there was a lot of waste – thinks £20-25k is very reasonable and since most sites have an established partnership, and should only need 12-18 months to set up the BID, this should be enough money to deliver. Thinks that the maximum would be £25k which would lever other, mostly in-kind support to deliver the BID.

Thinks it was essential and is right that it has continued for new BIDs.

Essential – wouldn't have done without as couldn't have funded – the £ was essential to lever LA support. Don't think they could have done X BID with £20k grant – it would have been a very different model if they'd only had this much.

Critical – they were all on a learning curve but all have now tested the legislation and developed the best practice materials. Don't think that LA would have done the BID without money - don't think that the Pathfinder process would have been enough on its own. It is important to note that their LA did not contribute toward the process financially – they put in-kind and the money was all Scot Govt.

Govt funding was critical to enable the process to be tested properly – not sure 10 BIDs is enough still – need more to pioneer different approaches to test it properly.

Essential – thinks Govt did it the right way – legislation, money and support. Got £ x 2 yrs and decided to take time to get it right rather than race to do it quick.

The grant was definitely required – XX wouldn't have done it without the grant – it levered in people resource and money from LA and other partners.

7. Do you think it would have been established without it, or an equivalent sum?

No

Don't think so, don't think LA would have funded without the govt £ to lever their money against it.

No, and don't think the LA would have funded it without the govt grant £.

No, and LA wouldn't have paid.

Thinks X BID would have struggled – if only private funding, there would have been apathy – thinks public funded process was good.

No – had a very busy day job and wouldn't have had time to do. LA wouldn't be able to afford on own – their input was in-kind.

No, don't think LA would have done the BID without others as they wanted it to be business led.

Non-Pathfinders – how important was the Govt grant and done without?

Was very important – this is what got them through the process. They had in-kind support from LA. It's difficult to answer what would have happened without £ - thinks they could still have done the BID but it would have been much harder. The LA was essential, and they might have got more from them without grant – unsure if it would have worked or not without the safeguard of the govt grant.

Essential – LA saw it as money coming in and matched the £X (mainly in-kind input from X and X organisation). Definitely thinks no LA been interested if no grant.

Grant was essential – doesn't think X BID would have happened without it – there was no LA resources to do so on its own. Thinks that some might have done without the grant but not their LA. The in-kind input of LA helped businesses (time pre-post ballot) but this is nowhere near enough.

The grant was an incentive for LA and businesses to be interested in a BID as a delivery mechanism. They were starting from scratch and it is a very resource (time) intensive process. As it develops, and the benefits become clear, thinks there will be more likelihood of places taking up BIDs without the need for govt grant but six isn't enough to demonstrate, but also it is too early to tell what the impacts and benefits are.

8. Do you think non-Pathfinder BIDs benefited from the knowledge and experience of the Pathfinders? and Q9 if yes, in what way?

The VFM from the Pathfinders was that they tested the process and the legislation.

The partnership continues to work well – is very important that BIDs are able to meet businesses direct and Councillors/LA staff to get the story straight, explain the process and remove any misconceptions. It is about promoting BIDs.

You can pick up good practice from each of the Pathfinders – specific bits from each of them. The continued networking of Pathfinders is about developing skills/knowledge in the management of towns.

All established BIDs get together about four times a year but likely to end up with many more by the end of 2012 – might need to split.

Think the process generated longer term benefits to non-Pathfinders – building capacity at the local level. It stopped people going down black holes because Pathfinders had already tested the legislation and process. Thinks that some have been very supportive in sharing their experiences with new places – was a corporate social responsibility issue and is one of the major benefits of the process. Not sure this would have happened without the Pathfinder support.

The network process was really useful to non-Pathfinder BIDs. While it is good to have BIDS at the centre with lots of knowledge, connections and experience – it was important to new BIDs that they could speak to someone that had delivered it from a practical experience, and could give a warts ‘n all view. This has also been very valuable to the whole process, and glad that the new BIDs Academy will share learning and continue networking.

Yes, their experience informed the good practice documentation and tested the legislation. Had some contact from places in the past and would be happy to talk to others and could explain exactly what not to do!

Yes, sharing expertise and CSR in helping others.

Yes – X BID and others have done missionary work for BIDS – attended meetings in several towns and spoken to lots of groups. This was about selling the practical aspects of BIDs – people wanted to know the up and down sides.

Non-Pathfinder BIDs – how did the Pathfinders help your BID?

Spoke mainly with two BIDs – tried to speak to X BID but didn't get much from them. Learned lots from the Pathfinders and largely followed their process – took the approach that if it's not broke don't fix. Learned lessons from across the whole aspect of BIDs but in hindsight thinks that the pathfinders could have been more creative.

Learned lessons from a range of areas – governance, project activity, communications, etc. Some issues arose because they followed the process i.e. they would have done the questionnaires later when they had more info – think they did too early.

Thinks businesses were more convinced because Pathfinders had tested the process – was beneficial as they could show that they were following best practice and demonstrate that BIDs could work.

Continues to speak to the Pathfinder (and other) BIDs through quarterly meetings but also off-line conversations to share experiences and work through issues as they arise.

They helped to identify what to do/not do – was able to re-use the X BID Business Plan as guide.

Not convinced that businesses were more convinced because Pathfinders had tested the process – they were so close behind them, and it was still such a new concept that it didn't make a difference. Thinks it would do now for other BIDs.

Was aware of the Pathfinders and spoke to them before/during/after – attended BID meetings to hear about their progress and learn. Learned lots from X BID in particular – the pitfalls, what to do, where to target, etc. This was complemented by BIDS input. Would have struggled more without their help.

Three key lessons from Pathfinders:

- 1. the need for f2f interaction and the use of different types of communications with businesses to get your message across*
- 2. get a good Steering Group that covers the geography and sectors*
- 3. make sure there is a clear separation between BID and LA*

These seem sensible and straightforward when you think about them, but they'd never have guessed this at the start of the process – they are essential!

Thinks that it was some comfort to businesses to know that other places in Scotland had done a BID and were making a success of it – these were places that they knew of and could relate to. Also thinks it helped that BIDs were being promoted by Govt.

Often speaks to X BID and X BID for advice.

9. *If yes, in what way?*

Combined with Q8 above

10. *What do you think would have happened without the Scottish Govt funded BID Pathfinder Programme?*

Legislation with £ but no support – would have had interest, but it would have been limited and not enough different models to test the approach. Would largely have been TCM structures without the added value. Legislation and support but no £ - there would have been no impetus for local partners (especially LAs) to get involved – all BIDs need public sector impetus and lead, even in US examples. In England the RDAs supported BIDs, especially EMDA and NWDA.

If they'd simply introduced the legislation without any support doubts if it would have worked – it needed the £ in particular to trigger interest (from both public and business side) but also BIDs as a resource to pull people into a networked process. The network group was important to give practical support/ information/knowledge – this was good.

If money but no IDS Ltd – thinks money would have been wasted as wouldn't have known what to spend it on. If IDS Ltd but no money, would have got less interest, but at least those that did start would have done a good job. Would rather lose the grant than the BIDs process. Thinks that it was for the best that BIDs were launched in Scotland with legislation, IDS Ltd and grant – and thinks that this should continue.

Would surmise that maybe the bigger LAs might have signed on for BIDs but doubts if the smaller ones would – this is because they wouldn't have seen the opportunity. Pathfinder was good as six going forward at the same time – doesn't think X BID would have set up a BID without the Pathfinder funding.

Wouldn't have got anybody taking up legislation. Are costs involved in developing the BID – ballot, management, business plan, etc, therefore thinks grant was essential to allow this to be done properly. Thinks some would probably have started the process but they'd have got lost. X organisation gave an early presentation that would have made them run a mile if they didn't have the support of BIDS and other Pathfinders.

Nothing would have happened after the legislation introduced – there was a need to demonstrate that BIDs were viable and could get a yes vote, this needed support from govt to achieve (£ and BIDS).

If legislation and BIDS governance – this brought best practice, support mechanism, sense of community. Feels it is continuing to build momentum, and would be reluctant to lose this aspect.

Legislation but no money/support – some would have taken on but very limited interest and people would have tied themselves in knots dealing with issues that hadn't arisen about the practical use of BIDs in Scotland. Legislation and £ but no BIDS – X BID would have applied (as would others) but wouldn't have got the wider benefits of sharing experiences. There was strength in knowing that others were working through the same context and could share learning. Legislation and BIDS but no £ - unlikely to have applied as it would have been difficult/impossible to get the necessary funds from the LA.

Thinks that some would have muddled through the legislation and worked through informal contacts e.g. ATCM, but without £ and BIDS there would have been fewer interested towns and doubts if there would have been any (or many) LA funding input. It was a good process because they all worked together e.g. X person read the legislation in detail and could understand/remember it – was available for people to pick their brains.

Would possibly have done if got £ but no pathfinder process, but thinks this gave it a much more structured approach and better process for them to follow.

Legislation on its own – thinks that's all there was it would have worked and X BID would still have been interested. Leg and £ - the £ was very important because it gave them freedom to do the BID more professionally and with better resources. Leg and BIDS – would have been ok, but much tighter.

No formal organisational view, but personally thinks that there wouldn't be much uptake in BIDs without the Pathfinder process (£ and BIDS) – thinks that this additional input was needed to launch it as a new venture and was a sensible approach.

11. What do you think have been the benefits of IDS/BIDS/Scot Govt as the central support body? e.g. sharing experience/good practice, providing advice/guidance
- a. *practical advice and guidance – sharing experiences and good practice.*
 - b. *Is a good support mechanism*
 - c. *Information sharing*
 - d. *Problem solving – is BID to BID but needed the personal networking that was generated through the pathfinder process*
 - e. *produced a strong partnership between the LA and BID – this came directly out of the process*
 - f. *Shared learning process – it was good to make sure they were all on track and dealing with issues that had to be addressed – no opportunity for slacking*
 - g. *trust was developed in the group and they felt comfortable raising difficult and awkward questions – trust and partnership*
 - h. *good to have BIDS as central resource – was helpful if was a difficult situation that they had to get out of. Having someone in a dedicated central role who was doing BIDS as their FT day job was helpful because you knew they were always on call.*

Can't think of any disadvantages to the BID Pathfinder process.

Non-Pathfinder BIDs

Thinks role of BIDS is very important – often phones to pick brains about what others are doing and discuss issues – knows that is always available.

Thinks having BIDS as central resource is very useful – has been instrumental in getting BIDs established in Scotland. It was a new concept and reassuring to know that others were dealing with the same issues – info gathering and sharing. Good ongoing quarterly meetings and sharing good practice. Thinks these meetings should be re-focused around sharing good practice.

Thinks is a very good role – has been very helpful and is good in co-ordination role. Is a good warm-up act to get folks interested in the BID concept. Thinks that operational BID meetings are regular and well organised – BIDS has sustained individual BIDs well.

Thinks that networking between BIDs is important and the Operational meetings are good for this – could focus more on sharing good practice between each other, but

doesn't want to see too much detail – should be a short update from each on what is working well/less well.

12. What do you think are the three key objectives (rationale) for your BID?

Would need to split this between why they started originally and why they are still needed:

- a. why established – marketing, clean and safe – from the business plan
- b. why still needed – marketing, advocacy and business development

Now have X number objectives in the refreshed BP and only one is new – to facilitate business development.

Thinks it is essential to recognise that they are a minor player financially so need to be realistic about what they can deliver/achieve. Recognises that they are trying to lever others to do things. Importantly got LA to do new strategic work – is being led by a planner but with input by the BID team.

Management, Delivery and Partnership Structures

13. How many FTE staff does your BID have?

Not reported – BID specific

14. What is the total bid levy for your area? *IBRF/BRC recommend 1%*

Not reported – BID specific

15. Do you have other ad hoc or guaranteed income? *Need source, frequency, value and type (revenue/capital)*

- a. Guaranteed
- b. Ad hoc – project-by-project, annual revenue, etc

In retrospect thinks that they were unrealistic about the financial expectations in the Business Plan – estimated £X income but BID levy (if X% collected) would only ever reach £X. They expected significant additional income to be generated from external sources but never secured to this level.

X BID – no guaranteed income beyond levy. Ad hoc – get on project-by-project basis e.g. community safety has been consistent annually, other is charitable funds and voluntary contribution from TC businesses not liable for the levy.

X BID – X% match funding from LA. Ad hoc – have had £X external funding (mainly TCRF and LA).

X BID = they've virtually no money at all –is £X funding levered, plus managed budget of £X for partners.

X BID – no guaranteed income but ad hoc, est at £X pa.

X BID – guaranteed is levy and core costs for their BID, but in moving forward LA wants to achieve cost saving over the next years – likely to be X% saving per annum. Ad hoc – est about £X over the BID.

X BID – levy = £X and collection rates very high. Have guaranteed income from LA till XX, was match in Y1, + Y2 but less next year. Still to negotiate what will get after this. Also brought in c £X over first X months from a range of sources.

X BID = cash and in-kind from LA; ad hoc = c. £X since BID established.

X BID– guaranteed = X FTE plus one-off £X, Other also putting in-kind time in. No project funds yet but applications in.

Thinks that public sector funding is important in providing match funding – is seen by businesses as a benefit.

X BID England – get private shopping centre funding (voluntary) = very supportive of the BID.

16. What is the proportion of levy and income spent on management and administration of the BID?

X BID = non-project spend was supposed to be X% but knows that this was very optimistic. Actual = X% of total levy and X% of total average income (£X salary/overheads).

X BID = X%, Business Plan estimated at X% of levy income (doesn't incl other funding)

17. How involved is your Board in the strategic management of the BID?

X BID – Board is very active –doing presentation to them soon about the refreshed strategy for the next two years. The Chair is very involved – works in partnership and helps develop new ideas

X BID England – Board representation is good, attendance is high and have some very influential people – thinks their Board is a key strength.

18. Do Board members regularly attend meetings? How many

X BID – yes, normally get X-XX, from X.

19. How many Board members do you have, and what is the split of levy payers to others? IBRF recommends 75%

X BID = Have X Board members – recently increased from X because some stood down from specific roles but wanted to stay on the Board in some form. X of the X are levy payers.

X BID – currently X, X of whom are levy payers – currently recruiting new Board Members who will be levy payers.

20. What level of ongoing stakeholder input do you have?

- a. Non-Board member levy payers
- b. Local Authority
- c. Others e.g. Trade Groups, Police

X BID = not been as good as it should have been but are actively working to address this. Have started producing BID newsletters to inform people about what the BID is doing and what difference it is making. LA = got better recently (since joining X person has made a special effort with LA staff/Councillors) and meets LA Rep once a week for an hour. Have now developed a protocol that anything the LA does in the town will be discussed in advance with the BID.

X BID– use a range of approaches including focus groups (for retail, NTE and business sectors), meetings with levy payers, engagement phone calls, meeting with LA/SE, meetings focus/communication groups, contact X and X organisations, meetings with business associations, work with police.

21. What was the lead-in time from inception to ballot?

Not reported – BID specific

22. What resources did you have pre-ballot and do you now have post-ballot?

Not reported – BID specific

23. What key/critical issues did you face immediately post-ballot?

X BID– funding for BID project delivery – XX had to put their own money in to keep the company running till the bills were sorted out with the LA. This could have sunk the BID.

X BID= Thinks the X months immediately post-ballot are critical – would be good to have a good practice not on post-ballot issues that can be used by new BIDs.

X BUD = Members couldn't yet see the benefits of paying the levy because nothing was being delivered. BID doesn't get enough money from the levy alone to pay X salary and still have enough left over to deliver projects and do communications. The BID needs to have resources to deliver projects immediately after the ballot. Business parks have a specific issue due to their split and need to replicate any activity 10 times over – very resource and cost intensive.

X BID = nothing brought to attention specifically

X BID – funding but were able to spin the plates and use TCM money to start BID projects because they knew the money would come in. Without this it would have been more difficult. Also issues with the Mgmt Group (acting as Board) and governance issues – new Chair has now got them licked into shape but some still see it as a committee rather than being directors of a company – not as much input as needed.

Once established, thinks that the level of business support is dependent on the stage of the BID – it takes a long time from the BID being elected to seeing big projects coming through on the ground. Attitudes of businesses (in terms of support for the BID) vary dependent on the stage of the process.

Additionality

24. Did you have a pre-BID partnership arrangement? If yes, do you think this helped the successful ballot?

Thinks that it is important to have some partnership engagement with local businesses before the BID but not essential. Partnership with the LA is essential – this is stressed in the application for BID funds.

X BID= yes had the X organisation and X organisation – thinks these made a positive difference.

X BID = Yes, the X organisation (and X organisation) was the vehicle through which BID was introduced.

X BID = there was the X Initiative – but don't think this was appropriate. Don't think they had an appropriate structure pre-BID – think they were hindered by not having this as it hindered communications. Thinks that it is best to have a formal partnership and communications process in place.

X BID– yes X organisation operational for around x years pre-BID therefore good understanding of the issues. Helped to build relationships between public and private.

Yes, personally for X BID thinks it helped, especially relationship with LA – knew the political landscape very well and how to get around it. Some businesses still think the BID (as they did the TCM) was the LA.

X BID– didn't have any pre-BID partnership structure, but this has come of the BID work, even though not successful. Is now a very good partnership.

25. If yes, what level of private sector funding and engagement was there?

Not reported – BID specific

26. How is/was additionality recognised – **service** additionality, **project** additionality and/or **funding** additionality i.e. how do you know that what the BID is doing wouldn't otherwise be done by someone else? *Should primarily focus on the Business Plan but also other projects that arise*

Thinks that some quantitative measures of additionality would be good but people are losing the plot a wee bit about the 'so what' question and thinks that businesses are mature enough to understand what will be good and what won't. Key measure should be whether the BID is delivering the services that it was voted in for.

Knows that BID activity is additional because what they're doing wasn't happening and still wouldn't be happening without them. They've not taken on anything from the LA or others – is all new stuff. Have a Service Level Ag with LA. Not sure that projects would happen without the BID – they are using levy to lever in other funds (often xx fund) to highlight problems and get others involved.

Prepared a detailed Baseline Services Agreement with LA

Have a SLA with the LA – this is essential and needs to be developed by all BIDs before the ballot

Need to understand projects – need to deliver economic returns to levy payers. Are looking to drill down against four objectives and understand likely impact on businesses.

Thinks there is a need for clarity and justification before a BID is considered – is not about replacing public sector activity. Not sure where BIDs can add value to places that are already nice – should be focused on places that have a tangible and clear need for regeneration.

27. What type of projects have you delivered? *Key headings*

- a. *Marketing and Promotion for CC*
- b. *Advocacy services – joint purchasing and lobbying*
- c. *Reduce crime and fear of crime*
- d. *Clean and Safe – this has been a key area of focus in the past*
- e. *Accessibility*
- f. *Promotion and Marketing*
- g. *Capital project spend*
- h. *Signage*
- i. *Security*

28. What specific activities delivered do you think worked well/less well?

Bad – chewing gum removal not as good and won't repeat – has come back as bad as before too quickly. Also, for BID funded events – not enough promotion that was BID that did it, and little clear benefits for levy payers. Has now passed most of these to LA.

Good – now focusing on events that specifically benefit businesses in the BID area.

Good – the premises improvement scheme – now delivered over 200 grants and is the best direct assistance to businesses. Gives a good rationale for businesses continuing to pay their levy. Also, TCRF will be very good but it is a long-term project and is about having the town ready for the future.

Good – signage has been very well received; also engagement on crime prevention as set up business watch. Those that have engaged in the BID process have had the benefits e.g. signposting from the BID to other support agencies.

Bad = communications but are specific issues, all businesses have different issues and concerns and no common bond. There is a need to involve owners/occupiers to ensure Board clearly understands that they are there to represent the interests of the company, not their own business or other constituency partner.

Too much focus on clean and safe but has been successful – X Scheme has reduced crime by X%.

Good – shopfront grants have been very good in getting businesses sold on the BID concept.

Good – signage: same modern style across X BID business parks, looks professional and creates the right image for their business; security: business watch has created awareness and cohesion amongst BP businesses to self-police.

Business 1: good: BID has been v successful at delivering events which have brought lots of people into the town – wasn't new but the BID team has built it up and developed lots of new events around it. Disliked: the amount of time it took from BID success to delivering projects. Bad: national procurement – doesn't think this would work for any BID area as they're about local issues and this was focused on getting best deal through national procurement. Small businesses are not interested.

29. How have these lessons influenced future activity?

a. For your BID

Now changed behaviour and more focused

Still not got it 100% right yet – want to do add-ons at Christmas but not managed yet

Don't have Board meetings every 2 months as they'll try to micro-manage the process; should do an Exec Board meeting every week/fortnight with key folks

b. For other BIDs

Not sure, sends bulleting to others and gets some back but not sure what difference this makes. Would like to see more discussion at BID meetings on activities, outcomes and impacts.

Get Board membership right from the start and take care to get the right folks involved.

They do some market research of businesses and visitors at events to gather data – why here, how hear/here specifically for event, etc. Also do some evaluation for taxi marshal – police have monthly report on crime.

30. Who prepared the BID Business Plan and what input was there from:

- a. the Local Authority
- b. local businesses
- c. BID Steering Group

Thinks that they need to work through the Steering Group but the Project Manager needs to take control of the process. Process needs to be honest, open and transparent with the BID run as a business.

The BID team prepared – they drove the detailed administration and the Pathfinder process was very informative to X BID because they got a chance to meet and develop relationships with people who had lots of experience in dealing with TCM.

X BID - X prepared following draft proposals and high levels of consultation with stakeholders – LA consulted in depth, esp re SLA. Business input on draft BP informed the final proposal. BID Steering Group members attended regularly.

31. What level/type of pre-Business Plan consultation was undertaken to identify the issues and opportunities? *Might include group sessions, individual meetings, questionnaires, drop-in to shop, forums, etc*

Surveys, drop-ins, etc

Workshops and group discussions for key sectors (retail, leisure and office) to assess how each could benefit and identify their priorities. One-to-one meetings, online surveys, postal questionnaires, tele discussions. Also series of workshops/forums to consult on draft BP and inform final.

Did lots of f2f and arranged large meetings – worked very well.

Did lots of consultation – businesses, media and public sector partners.

32. Did businesses get a copy of the draft final Business Plan before it was completed?

BPs should be sent to all businesses before the ballot, and where requested the proposal document must also be issued.

X BID – no, it was never formally distributed – was available if someone wanted but voting form was accompanied by the BID proposal document (12 pages) – thinks this is a much better and clearer document. Thinks the BP is rubbish.

X BID – yes, summary issued to all businesses, and full doc available via website.

X BID – yes, it was sent a few days before the ballot paper.

Monitoring and Measuring Impact

Thinks that the benefits of BIDs have been:

- *increased the profile of TCs and the issues they face*
- *showed other models that can trigger funding*
- *removed freeloading from voluntary member schemes*
- *delivered new places and projects that wouldn't otherwise have happened*
- *increased the value of project activity in some places (leveraged funds)*
- *developed networks that have raised the awareness of where towns sit in the strategic context – local and national*
- *provided a dose of realism about what can be done to regenerate towns*
- *raised awareness of the funding needed to deliver significant change – awareness amongst businesses???*
- *clarified the role and functions of public agencies at the local level*
- *brought businesses into a better networking relationship with each other and with other organisations at the local level.*

Thinks that non-BID towns should have seen more benefits from the BID Pathfinder process i.e. development of KPIs and M+E processes – this should have been a condition of Govt grant – should also have come through the TCRF and is a failing of govt.

33. How do you measure the success of your BID?

Thinks that KPIs and impacts are essential – but recognises that it is very difficult to demonstrate the effectiveness of BIDs to businesses.

Thinks that X BID has been very effective in getting X% match funding from the LA but in other places there isn't much leverage against the BID levy – some seem to see it as

replacing the public sector role. Thinks that this is the elephant in the room for both public and private sector stakeholders.

Thinks that BIDs should be measuring impacts, not activities – thinks most doing the latter.

In the UK wide experience (BIDs and TCM) businesses do want info on impacts and benefits – should not be simply about gathering any old data but the BID does need to demonstrate and prove its value. In X BID England e.g. they've been collecting data on visitors to the town as a result of BID events and the impact that they're creating. Retail crime (X BID England, X BID England) are recording what they're doing and how it is impacting on crime figures.

X BIS – are gathering some data but not focused on outcomes and impacts.

X BID - Need to take this seriously – they are collecting some data but it is a mix and isn't co-ordinated well into a single framework. Would need to scrabble about to get it organised if someone wanted. Are planning to organise and will use this data to inform the renewal ballot process, rather than using for an annual review – think that the X person covers activity.

X BIF – no data to measure – lack of time/resources to do this. If someone raised a serious concern about BID and its impact X knows that they would have to cross that bridge. Any problems/issues are dealt with immediately and responses to levy payers take place promptly.

X BID– measuring footfall (thinks this is crucial) also have X which measures a range of performance data. Thinks measurement of impact is key but not really doing this.

X BID – feedback from businesses and customers from their BID2 development work has been very positive. The town is no longer as scary at night because of the taxi marshals and safe zone. The public now think that the town is safer/cleaner. Anecdotal evidence through BID1 has been very positive. X person always knew it would be difficult to measure and demonstrate impact – not sure it is possible to do on quantified basis.

X BID– are about to start evaluation work to measure success. Issuing questionnaires to all the businesses to get their views on success. They did SMART plans for each project in the Business Plan but now thinks they are a bit vague.

X BID - Would use leveraged investment into TC – everybody is happy with the streetscape works. About to re-do the business survey. Anecdotal and verbal feedback has been very supportive. They considered footfall counters but they were too expensive and don't have a shopping centre that would provide – some businesses have reported increased profit on Farmers Market days.

Thinks that BID project activity has brought more businesses into the town – some new-start ups which take the small TC units – these have very high turn around rates but never empty for long.

Agrees that there is a need for output-outcomes to measure impact and value. BID must demonstrate the impact that it has and the benefits it generates for businesses. This can't simply be measured in activity terms, but needs to demonstrate the impact it has on business performance.

Business 1: it is a personal judgement

Business 2: think average business will look at their own results and consider whether the BID has helped to improve, but recognises that having some data will be important in demonstrating impact. Major part is crime prevention – this is being addressed through a specific BID Committee – big issue with fear of crime, especially in the evening. BID is doing a pub watch project.

Business 3: has raised the profile of the business and created a better environment for customers; has addressed security issues; has created cohesion amongst business.

34. Did you set any KPIs in the original Business Plan?

Thinks that they will likely force BPs to have mandatory M+E and KPI processes so that they can measure outcomes and impacts in the future.

X BID– BP says will measure against the 3 key BID projects and publish annual Action Plan with project activity and KPIs – not done. They've just set aside £X of £X levy for research/information – recognises the need for impact assessment. Right now they're only collecting responses from events and on Community Safety side did evaluation of taxi marshal and security task teams i.e. incidents reported. Other than this get qualitative comments by businesses on effectiveness of the BID. Have police info/data. Recognises the importance of this and intends to start doing some data monitoring, as thinks it will be important to prove the case to levy payers at renewal ballot stage.

X BID = Yes, but BP not distributed to members

X BID – yes, thinks they will be set against the four objectives and outlined in the Business Plan

X BID – no formal quantified targets – was deliberate as doesn't believe you can attribute. Bus Plan does have KPIs that can rate performance against.

35. **If yes, how are these monitored?**

X BID= Not really, go into a file and go into reports for funding, but wants to use in the next bulletin.

X BID= they aren't

X BID– not sure if they are formally, but they do collect data through X booklet. Will review this after the new strategy is finalised – will set new objectives and develop a bespoke monitoring programme.

X BID are monitoring some KPIs – ground floor vacancy (has increased but still below nat average); Keep Scotland Beautiful rating (score increased Y1 X%, Y2 X%, Y3 not done yet); crime stats from police (gone down); have CACI data (used for marketing); footfall count from X Centre (gone down).

X BID = are monitoring footfall and vacancy, LA had footfall from before so can compare

X BID = are evaluating performance against – leveraged public/private investment, newspaper articles, vacancy rates (have gone down), survey on Farmers Market days (significant impact identified).

X BID – took business/shopper surveys before the BID and hope to renew at end Y2 – they've only been up/running for under one year so not really considered this yet. Will use levy collection and match funding as a criteria for measuring success. Has some quantitative data from LA on vacancy/footfall, also plans to use the KPI tool that comes from the national SCR learning set.

36. Do you have formal (regular using a framework) monitoring processes?
Recommendations are: increased footfall, sales growth, lower business costs

X BID= No but will think about using in the future

X BID – no

X BID– yes, X X – footfall count, parking, crime, benchmark surveys from before, some data on retail sales (trying to get more of this now).

X BID – no, would need to pull together if someone wanted but could access data

X BID England – they’ve done surveys since Y1 – perception surveys of local residents by telephone, also done vacancy rates. Thinks this data legitimises the benefits of the BID, want to have research evidence on impact.

X BID England = did keep a tab of KPIs over the first X yrs (footfall, perception surveys, crime stats (gone down), vacancy rates (gone up but not by much). BID2 will collect 25 KPIs – mix of impact, vfm and activities. The driver of this data has been the Board and by proxy the levy payers. It allows the BID team to compare performance and closely align cost of activity to performance – where project money/time spent. Allows a more intelligent conversation and decision making process. This data was used at renewal ballot and likely to be a significant part in demonstrating performance. At renewal they had to deal with the recession and they had to work hard to justify the BID and its vfm. Needed to have data to persuade retailers that they should continue to pay.

X BID England – KPIs is a joint effort across the BID team, used by Comms team. Have: footfall, crime, street ops; collected at different times depending on need. Comes from various sources. Also produced perception surveys every X years since 2005 (available on website) showing trend data. They went for an X yr BID first time so was difficult to show impact – second term now X yr. Also use this data to support the annual levy bill (vfm of BID).

X BID England – do annual perception survey (done every year from the start, 2004) of in-street and tele interviews covering safety, environment, lighting, transport, etc. Understands that other things affect TC and business performance but results generally show positive impacts, especially perception of safety. Feedback from businesses is that they want lots of data. Value is in demonstrating impact – is used to accompany annual levy bill. Also want a firm grasp of the impact they’re having. Used to inform re-

ballot Business Plan and marketing info – was important that they had info to demonstrate impact.

37. Do you produce an Annual Review for distribution to levy payers?

Thinks that as a minimum BIDs should do a mid-term review of impact and performance. It is vital on day 1 that the BID understands what it is there to do and how it will prove its value.

X BID = no but thinks it should be done as an annual bulletin

X BID – Yes, and very successfully received, but collects activity rather than impact data

X BID – no

X BID– thinks there was an Interim Review?

X BID – no but will def do in the future, possibly along with annual event

X BID England– will be producing an Annual Review using their KPI data in the future.

X BID England – always collected data but produced an Annual Report in 08/09 for first time – were praised by businesses for producing this, and done every year since. Has been valuable in comms – gives a mix of qualitative/quantitative feedback.

X BID England – produce end of year report sent to all BID businesses.

38. How do you know if your BID is making a difference to the levy payers?

Towns are competing for customers – customer expectations are now much higher about services and facilities. If trying to persuade them into your TC you need to have a good offer. Only get by working together – thinks that collective working (businesses and LA) has been an important benefit of BIDs – gives a good understanding of the priorities of each.

In speaking to the established and emerging BIDs x person only once been asked about the impact on £ profit for their business and couldn't answer – said can't guarantee anything but the process brings benefits.

X BID = off the record, they don't. Knows that without the BID things would be worse but no evidence e.g. pre-Christmas roads arrangements (CC was much better than the

retail parks because they spoke to LA and made sure the CC roads were maintained and open).

X BID – Using informal feedback from businesses.

X BID– don't know – knows that he needs to do a proper mid-term review and that this will identify support. Wants to understand what difference the BID has made and use this to inform what it will do in the future – bus doesn't have enough resource to do this at the moment

X BID – don't think they do know – only effective project is clean and safe. Doesn't think BID has done effective communications yet so don't know what business views are

X BID – no real way to tell – is too difficult to separate out work of BID from wider external environment.

Business 1: it hasn't made a major difference to the business as not a ground floor retail operator but indirectly would say that X BID is now a better place to run a business from. For those with shopfront premises they can see the unsightly elements of the TC removed – there is more footfall, more events and seems like less empty shops.

Business 2: difficulty over recent years is that X BID doesn't have dedicated local area council but is part of a larger LA region so most Cllrs are not from X and they naturally want more spent on their areas. BID is a lobby voice and focuses on local businesses by taking a proactive approach. Thinks that the actual benefits are still to come in terms of footfall and business turnover – takes time to make the changes. Benefits have been in terms of additional events in area that have attracted large numbers into area that might not otherwise have come. BID took over projects that were due to close but businesses wanted to keep e.g. flower baskets, bandstand, beautification, etc – retailers think these are important as they make a good quality environment.

Business 3: has raised the profile of the business and created a better perception for customers. Raised awareness of crime, and businesses now more willing to self-police their estate.

X BID England – BID seems an excellent public-private partnership approach that has built a new place management structure. They are part of an established CC management initiative that delivers wider projects – now focusing on a waterfront partnership and actively working toward establishing a BID for this area that would run alongside the CC BID.

X BID England – at renewal ballot they got a very good turnout and thinks that this demonstrates good support/impact.

39. *What difference do you think your BID has made to the local area? Recommendations are: increased footfall, sales growth, lower business costs*

X used to be the Chair of the local Tourist Association and would have loved to see a BID for the town – thinks that it is good to get cohesion from the operators and remove free-riding.

X BID – no difference to business costs, but a better trading environment – less shoplifting because security environment has been improved. Difficult to measure footfall/sales growth because so many other factors, but would agree that the BID has attracted footfall through its events/activities.

X BID– not getting much negative press (with the exception of the short recent incident) – silence is golden?

X BID – is too early to tell in X yrs – thinks that the real benefits have yet to be seen but is heading in the right direction.

X BID– think TC has changed dramatically since BID established, they've focused on the TC environment and the place is now much more attractive to users. They used TCRF to deliver on a number of the BP projects – couldn't have done without the BID BP, so think was instrumental in securing TCRF. Feedback from businesses is that the town looks better and feels safer.

X BID = thinks that some have been more successful than others – is difficult to see where the added value in X BID comes because have always had lots of TC support. Thinks X BID has been very good – feedback from members is that events have been very well received, increased footfall and turnover; TC street wardens increased security.

Business 1: extremely supportive of the BID because they recognise the need for TC regen – need to restore what used to be attractive and vibrant towns. Thinks that most businesses are supportive in X and X but only recently established BIDs so too early? In X BID took long time from ballot before they could start delivering projects (c. X year) so businesses couldn't see any results – they're now feeling more positive about the process because they can see and touch things that have been delivered by BID – thinks it will be the same for X BID.

Business 1: was supportive of it at the start but then initially disappointed. It was one of the first BIDs and there was an issue with mgmt and BID wasn't getting the support of the LA (politicians and officers), especially CC manager. New BID Manager has made a world of difference – focused effort on the softer strategic/political/ communications side and this has delivered positive results. BID now working with LA on a wider city centre regen strategy and other joint working. Now very supportive again.

Not sure all businesses in area feel the same – a number of small businesses think it is yet another rates burden and are already paying enough. Lots of these are ones that don't get involved with the future of the city. Need to do more communications and marketing of the benefits of the BID – need to positively promote what it is doing. X person is aware of this and has developed a good dialogue with local paper. Also working on colourful newsletter to send to all BID area businesses. Also updating website – will provide instant access to up-to-date info on what the BID is doing and what difference it is making.

Business 3: is very supportive of the BID and the projects it has delivered, thinks it has been very worthwhile. Difficult to say for others that have been less involved. There are benefits, and these have already been achieved through signage and security works, but thinks some might be wondering what projects to deliver next. Would support the BID for another term, but not sure after that – thinks it has a shelf life and future may be more about business-to-business support. There is apathy from those that have not been involved but this is normal.

X BID England– thinks that the impact on the BID has been so great that businesses didn't really need this extra data – there are visible impacts on cleansing, marketing, security, events, etc – so visible that it wasn't really an issue but it has been useful in speaking to national operators and property owners as they aren't aware of local circumstances. Dreads to think what would have happened without the BID – wouldn't have had a legitimate mandate. Public sector wouldn't have contributed to the public realm enhancements (£X), car park improvements (£X) and marketing (£X). Thinks there would have been less business activity – no leadership role in the local transport plan and no role in CC Action Plan (BID team led on this). There would have been no strategic approach to event marketing and management therefore less visitors. Nothing to build on in marketing X BID England.

X BID England– the BID has secured additional activity in the TC – worked with Police, LA, Shopping Centre owner and has had major influence in securing additional projects.

Communications

40. What type and level of communication do you use with:

- a. levy payers
- b. local authority
- c. others

X BID – not terrific with any of these and plans to improve

41. How effective do you think your communications are, and how do you know?

Thinks that BIDs need to communicate effectively with businesses about their activities, impacts and benefits – thinks the X Annual Review is good as it said what they did, and reported impacts (especially from events funded by BID levy).

Not very and plans to improve.

Business 1: thinks that people are well informed and able to input their views to the process.

Business 2: recognises that they need to do more and working on this now – see Q39 response – already working on website and newsletter. The BID needs to make it known what they're doing, what the levy money is being spent on, and help businesses to attribute the differences to the levy that they're paying.

Business 3: thinks is good, gets regular emails from X that go out to all BID area businesses.

42. Do you have any formal process for levy-payers to communicate with you i.e. to inform future activity?

X person and X person will do a direct survey – perception of businesses of the BID and this will inform activity to ensure are best placed for the renewal ballot. Might do a shopper/user survey but is expensive and resource intensive.

X BID– in the process of setting up focus groups for each of the three sectors (retail, leisure, business) to enable a feedback loop that will inform future projects, ideas and events.

X BID England – they liaise daily with BID businesses through a range of means.

43. How do you know if your levy payers remain supportive of the BID?

Informal feedback and anecdotal evidence – very little complaints about the levy and collection rates are high.

They don't, except that in speaking to members recently they've had positive feedback.

Anecdotal evidence shows positive support.

Next Steps

44. Do you intend to go for a renewal ballot?

X BID– would imagine so, yes.

X BID – yes, are considering their plans and likely to formalise soon. Thinks that there is a need for Scot Govt support for the renewal ballot process – they put £X into the Business Plan and this will cover expenses but there is a major resource input needed.

X BID – not sure – unless they can deliver cost savings to businesses (and therefore justify the levy) over the next X years, it is unlikely that they'll go for a renewal ballot.

X BID– yes

X BID– yes are in the middle of the process, ballot is soon.

X BID – Steering Group is considering a re-ballot in 2012 but not sure what would be included as much of the actions from the original BP have now been delivered.

Business 1: would support BID at renewal ballot.

Business 2: would support BID at renewal ballot. Feels that it is doing a lot for CC. Still issue that businesses can't attribute impact of BID to their levy (needs to be clear) but improved comms and marketing will help.

45. If yes, would you envisage any major changes in the following:

a. The geographic boundary of the BID

Thinks the core income is too low and might need to have either a larger area or higher levy, or core funding from other partners.

Yes, but only because there's been some development in the town outwith the BID area (supermarket and 3 new retail units adjacent); also remove one part that is outwith the retail core – is a cost/return issue and difficult to justify activity here.

Yes, it is too spread out and diverse.

No, it is neat and contained.

Yes, have deleted a few small businesses from the peripheral edge, can't do much for them and they don't see the value. Also added the old Tesco store – is a risk because Tesco still own and they don't know who will be moving in.

b. The length of BID jurisdiction

Would like to change the 5 year maximum to 10 or even 15 years.

No, thinks 5 years is good.

No, would stick with 5 years.

No, would stick with 5 years.

No, 5 years is good.

Yes, will def go for 5 yrs, don't recommend X to anybody.

X BID England – went for 3, then 5.

X BID England – went for 2, then 5.

c. BID company structure – Board/Management/Staffing

Need minimum level of core income which is realistic compared to expectations.

BID Manager needs to be trained in the practical aspects of delivery for staff and Board.

No, they've got it right recently, but this is a critical issue and needs to be carefully considered.

Yes, need more LA financial assistance and less Board meetings. Need to have a good operating agreement with the LA about funding, revenue support, etc.

Yes, is very top heavy with staff and needs to be rationalised.

Yes, will now set up a Co Ltd by Guarantee with an option to set up charitable arm. Different for them as LA only want to deal with one org for TCM activity (TCM deals with district centres) so BID will be commissioned to deal with TCM for these towns. May give an option to consider BIDs for these places.

d. Project delivery

Have changed recently, need to have the good ideas but limit to those that are visible, achievable, branded, and the BID can shout about. Need to make a difference to the levy payers.

No, think they've got it right and correct to focus on TCRF – they'll review after the business plan surveys to make sure still doing the right things that businesses want.

Would be more concise and want to understand how projects would be delivered, thinks BP is too woolly and too many projects

Yes, going through this process now – it has been too hands-off and relied on others to deliver through sub-contract arrangements.

No, thinks they got it about right, only one area that wasn't working well was 'easy come easy go' bus project but are now working with LA to produce finger post signs.

e. Monitoring impacts

Thinks that M&E is an important part of the project development process.

Yes, need to start doing this – all activity with outcomes/impacts in mind, need to set a baseline to understand the difference.

Yes, know that they need to do more, and accept that it should have been done from the start.

If resources were in place (£ and staff) would probably have done but doesn't think it is the most important thing to do. Thinks it is essential to communicate what are doing, but not necessary to link this to impacts. Thinks it is important to get feedback from members that can be used to inform future activity, but is difficult to get them to read anything and worse to fill out forms – apathy is a major issue.

Yes, are beginning to do this now.

Not sure, would sign up to the national KPI framework if this is formally launched but otherwise thinks it will be more of the same for BID2 i.e. monitoring to the best of their ability.

46. If major changes, why?

As above.

47. Have you spoken to other BIDs – upcoming (pre-ballot/inception) and/or established?

Very little dialogue, some re specific issues e.g. X person re website. Did go to see X BID after first BID meeting but didn't find much use because already knew or it was too different. Does speak to BIDS regularly and finds this useful.

They've developed good contacts and networks with other BIDs – established, emerging and developing.

Occasionally but not really appropriate because X BID is so different.

Yes, recently come into post and found the other BIDs in Scotland and England very helpful in sharing experiences in good/bad practice.

Yes, have spoken to some.

48. If yes, for what purpose – to assist their development, to get info/data, to discuss progress?

Thinks that X BID benefits from continued involvement in the Pathfinder process.

Mostly to businesses – to give practical perspective on BIDs.

Need for continued Govt support to BIDs?

Thinks that in the future there will still be a need for govt funding support for BIDs – can't rely on the legislation alone to establish new. Govt funding is essential to lever in LA funds. All towns need a minimum of £X – max govt grant is £20k but other funds can come from any source and be capital and/or in-kind. Most has come from LAs.

The govt grant of £20k is essential to lever additional funds to develop the BID – is mostly coming from LAs but some places getting from elsewhere e.g. X = £XLEADER and £X Devt Trust – this is unusual. LEADER could be important source of match but only in limited number of places. Without the LA this is the only other real source of match income.

The £20k govt grant is a major incentive for businesses to consider the BID – is always what he gets asked about and goes down well with businesses.

Thinks that there is a need for both £ and BIDS in the future to continue to support new BIDs coming forward. It is important that there is someone at the centre in a co-ordinating role to pull support together and avoid people going into silos. In England ATCM members get support through UK BIDs but need to recognise that there is a totally different culture in England – it is more entrepreneurial. In Scotland if we rely on the private sector bringing BIDs forward you might get one or two places– but those places that really need it (the significant towns) won't take the risk. He would like to see the English approach, but doesn't think it would be likely – this is a broad cultural issue and one that can't be addressed through BIDs.

X BID England has now lost its co-ordinating role and aftercare support – don't think this is a good idea and will affect the quality of BID development and performance. Before British BIDs could go in to work with a BID (offer support rather than force it) and it was warmly received and helped to turn a few round.

For X organisation the access to BIDS and regional governance/expertise is critical – more important than the money, as they're only likely to get about £X. If the BID looks impossible or they get a no vote still thinks that the process would have been valuable and likely to seek an unofficial BID – the process will let them develop a clear proposition that can be put to members with a strong business case.

Thinks that the £20k + BIDS should be enough to encourage tourism DMOs to be interested in BID – if size/scale of BID is appropriate thinks that they should be able to do with this level of support and know what they are doing as an organisation. Doesn't think that many DMOs (established and emerging) would be capable of setting up a BID and would need significant help – who would do this?

Thinks that £25-30k would be needed for new BIDs, thinks £20k is too low.

Need to continue to support BIDs (established and emerging). For established BIDs they need access to a central resource with experience and good practice – x person recently come into post and found BIDS very helpful.

Don't think that more BIDs would happen without BIDS/£ - the £ in particular is essential to kick-start a BID – would struggle to see how the private sector would fund the development process. There are big economic benefits to be had (for the area) and thinks that LAs should fund.

BIDS role – is important. If no central resource, the alternative is that each BID pays a levy to keep this role but doesn't think it is correct to ask levy payers to fund it. Gets benefits from collaborative and sharing approach but they are difficult to quantify. Preference is that govt would continue to support this role.

Thinks that the £40k budget is critically important to have as there are only so many large centres that could do it on their own without Govt grant. LAs not able to put money aside to do and the £20k grant is a big leverage for them. Thinks that the central resource of BIDS is very important.

Thinks that there is a case for the Scottish Towns Pship as the partnership vehicle in the future – this makes sure that other places and approaches are supported and not just the focus on BIDs.

Not convinced that the £20k grant is enough especially in current financial constraints – LA can't match this with other capital allocation (they don't have any) and not sure where else funds would come from.

FSB would want to maintain an open mind about how Govt should support place devt and regen – sees BIDs as part of the toolkit but not the only tool.

Opportunity to expand BIDs into other areas?

A BID for the X organisation would send a clear message to govt and industry that X Organisation is adopting a more formal and unified approach to promotion of the tartan industry in Scotland. They want to establish X organisation as the main governance body for X in Scotland.

Thinks that a BID would be a tremendous opportunity for the tartan industry – need to give it a unified goal. X organisation is supported by voluntary financial contributions from major companies but need to bring them all together to solidify enthusiasm. Thinks that the BID could be extremely important to their future financial sustainability.

X organisation needs funding – only looking at the four largest industry weavers so won't produce enough income to run the BID but it is about sustaining the financial viability of what they already do as have lurched from one financial crisis to the next.

Thinks monitoring impacts would be ok as it would be based on the number of direct new contracts secured – X organisation secured and passed to one of the weavers – would be this type of project secured by BID.

Thinks that there is huge potential for BIDs in the tourism sector – would like to establish a X industry-wide BID scheme adding others as the X organisation BID is established and could do the overarching admin under one umbrella.

The crux for X Organisation is about businesses working together – this would have to be the basis for any potential BID. From the tourism perspective there are c. 400 local groups with an investment in tourism – all have a strong industry focus and most are industry led therefore good network to tap into to promote BIDs if they seem right. The main concern would be in managing these – doesn't want to see lots of new print or online published material that conflicts with the national X organisation approach as there is already too much clutter and they've been working for years to remove. Would need to understand and be clear about what BIDs could do in a tourism setting, and how they'd manage the process.

Best bet might be the 6 DMOs established and funded by SE – BIDs might be a mechanism to sustain these in the future. Could also work with emerging DMOs (e.g. X Organisation) that have developed momentum but don't have a clear funding mechanism. BIDs might be a catalyst for more DMOs without needing significant resource input. Concern that BIDs might be beyond the scope/scale of some tourism businesses – most small and inward focused without any clear cohesion, few get involved in local tourist bodies. Most don't have a commercial business approach.

Thinks BIDs might be suited to a sector perspective e.g. golf, whisky, historic buildings where there is a rationale for businesses to come together to promote their produce – could potentially deliver a bigger bang for their buck in marketing. Could promote tourist packages – 5 star golf/hotel packages and create a niche purpose.

How interested is X organisation in BIDs? Only funding X organisation has is the X Fund – when they engage DMOs it is as a non-funding partner. If BIDs could create a sustainable funding route for these groups it would be positive. Concerned that SE will stop funding the 6 key destinations, and def not support any new ones.

Overall X organisation is not convinced one way or the other – thinks that a pilot may be the only way forward, but also have X tourism BID coming forward. Would need both infrastructure and knowledge to be successful. The challenge would be to equate the benefits into a place setting. Thinks that the island BIDs (tourism, retail and community) are clear to rationalise – they know who they are and what they want to do, but not sure about others.

Overall supportive from X organisation perspective but remains to be convinced – sees benefits but also sees issues relating to 1. size/scale and 2. structure and level of support needed. Would need to understand X organisation role within tourism BIDs and be sure that they could resource properly.

Thinks that the main barrier would be the initial upfront cost and the longer-term impacts and benefits – how to sell the levy to businesses that operate in seasonal markets, especially where they already get support from the public sector through X organisation and others.

Anything else? If not, thanks

Think that the legislation is more complicated than it needed to be – been speaking to NI (who are using the Scottish model as a base) about the pitfalls in the Scottish legislation and what they should avoid.

There is no membership fee for involvement in BIDs – this needs careful consideration but may come – some Scottish have joined British BIDs.

If no BIDS after the Pathfinders – there would have been no good practice framework, no drive on delivery and no central co-ordination. Thinks that a few more would have been established (after P's) but not many and would have gone the way of other legislation that has been launched and died away.

Thinks that there is still lots to be done to maximise the impact of BIDs – can do lots to improve management of TCs but still needs work to change behaviour and raise knowledge. Needs a central resource to deliver new BIDs.

In five years of developing BIDs in Scotland there is now a clear and appropriate format for city and town centres, but it is still very basic and there is a significant opportunity to expand activities/impacts/benefits – this could take another two years to raise the knowledge, skills and capacity to expand BIDs into new areas e.g. tourism, activities. Don't think BIDs are moving forward fast enough – they should be taking a broader approach and trying harder to make a difference to places – should create somewhere that looks like it is cared for and is a nice place to be in. Also need to develop the knowledge and understanding of improving places – needs a broader approach.

Business parks – wouldn't do X BID model again – not enough people, money or projects to justify. LA is considering for X but with better management and hit harder with more project

activity. Would like to see a much higher levy – there is no limit on the maximum levy that can be charged in Scotland.

Money for re-ballot – no funding from Scot Govt – don't think it is appropriate and each BID should be covering through the previous levy. X BID isn't getting anything.

After Pathfinders were established he led devt of good practice guides/materials.

There is a real need in developing a successful BID to develop strong commitment from businesses.

Not clear on the role of BIDS – not clear how this links into legislation and Scottish Govt. This confusion also comes through from ATCM network members.

Interested to see how mid-sized towns get on in the ballot. Thinks that BIDs might be easier to justify in smaller places because they have closer networks, but recognises that there is a cost/value issue. Thinks it would be appropriate to look at efficiency and cost saving approaches e.g. X BID as administrator for small BIDs, or places developing a network of individual small villages/towns with a central admin function.

BID meetings – need for better focus here. Last meeting had presentation from Irvine Bay URC about what they're doing – was interesting but not very relevant.

There needs to be better and clearer guidance on legal processes from BIDS e.g. they got advice on their AGM which turned out to be incorrect.

BIDS needs to develop knowledge/skills in-house rather than buy-in externally but recognise that the Pathfinder process was of benefit in helping to develop BIDs.

Thinks operating agreement with the LA is critical and needs to be watertight.

Need to ensure that the levy is fair and equitable.

Board structure and governance is a major issue – need to think carefully about this from the outset.

Need to get the relationship with the LA right from the start. Need to make sure that the LA doesn't see the BID as a way to get businesses to support activity – this could be seen as a LA led approach, and will cause problems when LA wants to withdraw funding for activities.

Need to be additional, essential that is business led approach, not too much interference from LA but recognises need for political/strategic support from the Cllrs and Chief Exec.

Need to ensure £ input from LA – need resources to address issues and ensure are able to deliver projects from the outset

Ensure LA adopts a partnership approach – BID should not just be seen as a source of funding to replace their activity.

Thinks that BIDs should be more accountable to those that pay for it – levy payers and public sector. The calibre of BID management needs to be reviewed.

Need to manage the expectations of those involved – need to think of the BID as an investment and partners should be committed to the process.

Board – there is a lack of experience, some have a good understanding of their role but others have none and think of it as a committee.

Glad that TCs now have a place on political agenda and looks like all parties support.

Thinks BID meetings could be used to better value – recent X organisation presentation was interesting but not very relevant. Should go back to the 'show and tell' approach where each BID given time to talk about what they've been doing – good and bad.

X BID is still benefitting from participation in the BID Pathfinder although it wasn't successful. It started a good consultative process between X, X, and X businesses – this has continued to this day through the CC Steering Group. X organisation delivered a programme of actions, as agreed in the BP with support from other key partners (Comm Safety Pship and Marketing Board). Steering Group also involved in development of the city centre strategy.

After X BID failed, St Gp members decided to keep the group. Recently reviewed and decided they still want it as it is a good communication tool but they're not sure what they want it to do in the future – no new significant projects identified.

Thinks that process was worthwhile and gave good head start on city centre regeneration

Key issues for X BID – at development phase was about getting the right Steering Group together, making sure communications strategy was on the ball and having funding/resources to take projects forward. Post-ballot – making sure have SMART plans in place for delivery, managing budgets and monitoring impacts.

Thinks having the Pathfinders was really important and they learned lots from them.

Key issues for X BID – at devt – they ignored businesses that were anti-BID, not sure if this was the right thing to do. Post ballot – addressing negative stance of one or two businesses that refused to pay the levy – they started a campaign and others joined. Is now sorted out through warrants issued by LA but it took a while to get there. Thinks that a couple of early win projects would have been really good to demonstrate what the BID was all about.

X BID didn't do pilot projects before as were so focused on spending the time/effort on securing a yes vote – if doing again he would have an instant project and would approach LA for funds to deliver immediately post-ballot.

Key issues for X BID – devt: getting the right St Gp members; post: resources and time to deliver projects –he's only there one day a week as BID co-ordinator.

Thinks BIDs are a good delivery model.

Thinks BIDS has been a very good and professionally run enterprise.

There is an issue over trying to get final conclusions now – thinks is too early to tell. Doesn't think there will be enough evidence yet but he's hearing lots of good anecdotal evidence about impact.

The major issue is the length of time from successful ballot to project delivery – this isn't good but she understands why. Would be good if BIDs could access transition funding – loan, grant or whatever – funds available from start to deliver project activity. BID team is focused on the ballot (doing the hard sell to get it through) but then left in limbo for first year while they get funds and start to develop projects. Recognises that they need time after ballot to work up projects, but thinks that some early wins immediately after ballot would be very good in demonstrating BID activity and potential impact.

X person has developed a very good rapport and support between BID and LA, esp CC Manager. Key issue for the future – what is very evident is the need to have good management and internal working relationship with LA – both are aiming to achieve the same thing and need to have co-operation.

Major benefit was the additional liaison with the LA – BID role in this was seen by businesses as very important.

Appendix C: Literature Review



Literature Review of BIDs with specific reference to the evaluation of BIDs

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Literature Review of BIDs with specific reference to the evaluation of BIDs

The purpose of this literature review is to support the evaluation of the Pathfinder BIDs by providing a research base on the context of and nature of BIDs evaluation. It is a selective rather than comprehensive review of the literature focusing specifically on evaluation. This context also contributes to the route map ahead for BIDs in Scotland.

Introduction

The BID scheme in Scotland is only one regeneration initiative for towns and cities and it sits alongside other initiatives such as theme towns, local authority-led partnerships, community initiatives, retailer-led schemes and town centre management. As a concept the Business Improvement District is situated within an array of policies designed to promote better town centres and to deal with decline in town centres. Town centres initiatives include both public and private initiatives and range from informal to formal schemes. Coca-Stefaniak et al. (2009) schematise these for town centre management (see fig.1). Extending the schema BID schemes are formal but they can either sit on the public private boundary or be entirely private. In practice any scheme may change its position within the matrix, often moving from informal to formal or private to public/private partnerships. Town centre partnerships of various sorts operate differently, are funded differently, have different ambitions and are evaluated on different criteria. Many hybrids exist. Schemes go under many descriptors such as Main Street Trusts (New Zealand) or City Improvement District (South Africa) (Hoyt, 2008). They commonly share a concern to redress the decline of town centres. The evaluation of BIDs is important not just for the individual BIDs, but also in its wider regeneration contribution. It has commonly been assumed that as a concept it is readily transferable from country to country but less attention has been given to the appropriateness or difficulties of transferability in social, political or cultural terms (Hoyt, 2008, p.124, Ward, 2006). The lack of objective and dispassionate evaluation makes understanding country to country transferability harder. BIDs have been set up in different ways in different countries (Houston, 2007). This context of any BID scheme impacts on how it should be evaluated.

BIDs in Scotland

Delivering town centre regeneration is the primary context for Bids in Scotland. Much of the UK literature on BIDs has focused on the regeneration context arising from awareness that town centres have faced difficulties and are in need of attention (Peel and Lloyd, 2003,2005, 2008, Reilly and Aswat, 2009). The arguments for BIDs in the UK and in Scotland have often been supported by statements of its success elsewhere, primarily the United States. Lloyd (www.dundee.ac.uk/pressreleases/prapr02/bids.htm) noted in a press release on BIDs in Scotland that 'A good example of a BID in practice is Times Square in New York which, 15 years ago was a dirty town, down at heel, graffiti covered eyesore. Today following the creation of a BID, it is the safest part of New York, and provides shopping, tourism and entertainment facilities for the city'. The mission statements for BIDs Scotland state that, 'A Business Improvement District (BID) delivers a sustainable financial model to a defined geographical area of a town, city, commercial district or tourism and visitor area, where businesses have voted to invest collectively in local improvements in addition to those delivered by statutory authorities. They are often, although not exclusively, a partnership arrangement through which the local business community and the statutory authorities can take forward projects which will benefit the local economy. A BID is not a substitute for central or local government investment, but 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 others priorities.' (www.bids-scotland.com). BIDs Scotland aims to aid the regeneration and asset management. Key features are the area based aspect of BIDs, the public private relationship/partnership and the regeneration context with reference to towns and cities. This context defines the way that evaluation should be carried out and contextualised.

The Challenge of Evaluation

It is difficult to come up with ways of measuring the performance of BIDs which are not conceptually and methodologically flawed. Mitchell (2009) notes that ' the root problem is the very theory that declares city places can be best brought back to life through countless people doing countless things' (p. 95). It is almost impossible to attribute changes in an area to the work of BIDs as there are always national trends, local circumstances and a range of other ongoing initiatives at the same time. BIDs are by definition about changing outcomes which are not easy to quantify. Problems and their solutions are essentially local and so a ready made mode of operating is not always applicable although principles of approaching

evaluation are relevant. Additionally the need for BIDs to report their success has often led to boosterism and the use of associative discourse. Rarely do BIDs report failure and it is more difficult to study a BID after it has failed. Accountability is important as they are generating change in the public realm and in areas which are viewed as critical to local economies.

The literature does not abound with methodologies for the evaluation of BIDs (Peel et al., 2010, Reenstra-Bryant, 2010). Caruso and Weber suggest that the evaluation procedure should be set out as part of the overall strategic programme and should be budgeted for at this point in the process (Caruso and Weber, 2008, p. 324). Businesses would then agree what measures would be used and what would characterise success. Linking performance measurement to budgeting and resource allocation would offer the opportunity to change funding levels based on the results. This means that although stakeholders may have different priorities or ideas about what constitutes success, some agreement on a communal approach has been agreed prior to the start of the BID.

Mitchell (2008) suggests four categories of evaluation – 1. Diligence, 2. Effectiveness, 3. Responsiveness, 4. Sociability. He concludes by stating that ‘The ultimate value of BIDs is their symbolism as tipping points and optimistic shapers of American cities’ (p. 109). There are therefore less tangible benefits to think of which may be more important than the more tangible outcomes such as increased revenue. However these may be of wider benefit engaging the public/private partnership aspect of BIDs. Evaluating BIDs is therefore not in any way straightforward and there are several different levels at which that evaluation can take place. It is proposed that there are aspects of evaluation which go beyond those noted by Mitchell’s four stage process and which engage more specifically with the policy context and the partnership aspects of BIDs. This is important in thinking the route map ahead.

In the UK there has been a close association between town centre management and the development of BIDs. Indeed at the UK level initial take up of BIDs seemed to be associated with places where there had been a town centre management scheme in operation (Reeve, Cook). This is further highlighted by the role played by the Association of Town Centre Management in promoting BIDs through their engagement with BIDs UK and their documentation and publications relating to BIDs (Association of Town Centre Management, 2005). This has carried over to performance measurement (Hogg et al., 2007). As a result there is a template from town centre management methodologies which has some transferability to BIDs. However the differences in the two approaches should not be viewed simply as a continuum. BIDs are constituted as businesses and must act appropriately. It is imperative that businesses act as businesses and not local committees.

An Evaluation Framework

Table 1 proposes a conceptual framework for the evaluation of BIDs. It builds on the work of Mitchell (2009) and of Caruso and Weber (2008) but goes to include other aspects of evaluation including policy oriented aspects. This conceptual framework is directly reflected in the questionnaire used in the Scottish evaluation. The final column in Table 1 links the interview questions to the key levels of evaluation. This in itself adds value to the process undertaken in the evaluation of Pathfinder BIDs in Scotland grounding it firmly in the established literature.

1. Process

Accountability is a key motive for evaluating BIDs. 'Diligence' (the term used by Mitchell, 2009) or process is the first and most basic level of evaluating BIDs. The BID must ensure that projects which are agreed are undertaken as stipulated, funded and completed. It also means that business goals are reflected in the selection of projects. Noticeably in the pre-BID business surveys in Scotland a better retail mix was noted as important to existing businesses. This is accounted for mainly by environmental improvement although in fact this may not be a sufficient condition to change the retail mix (BIDs Scotland). The process of project selection is not enough in itself as it takes no account of impact.

2. Effectiveness and Impact

The effectiveness of BIDs requires some understanding of the impact of the projects rather than just whether they have been fulfilled. The level of activity is not a sufficient indicator that the process of BIDs is a success (Mitchell, 2009). To understand impacts it is useful to identify (as in the case of Caruso and Weber, 2008) the areas where positive outcomes might be expected and what these might be. Benchmarking is an essential starting point. It also provides comparative data across BIDs and this is of assistance in monitoring the differences in what BIDs can achieve in different settings. Qualitative measures will be important such as perceptions of change but quantitative data is also required. In the UK the lack of correspondence between boundaries for BIDs and other administrative or data collection units means that GIS data is required and that bespoke data must be collected. Collecting relevant rather than available data must be the goal. Usually former 'health check' style data is considered desirable although other business based data and user perception data is also required.

3. Business Response

Business response is the measure of whether businesses wish to renew the BID or decide that they do not think that it brings sufficient returns. For member businesses returns which exceed expenditure on the scheme will always be a yardstick of success. In any BID there will be participants who make their views known to a greater extent than other participants. Positive anecdotal material is often published on web sites. Anecdotal or partial stories are not a good measure of returns or the likelihood that a BID will be renewed. Self-evaluations should be carefully scrutinised as they are mandates of self promotion (Hoyt, 2008). Equally the frequent use of associative discourse is a poor way of promoting the success of BIDs (Cook, 2008). This was used extensively in the North West report where effectiveness of BIDs in the USA was extensively cited and Tampa regarded as good practice relative to towns such as Keswick (North West Regional Development Agency, 2007). It is however unfortunate if evaluation of a BID is limited to the renewal vote and a more considered and analytic view of the progress and achievements are not taken into consideration.

4. Social and Entrepreneurial Capital

Does the collective effort of the BID mobilise and create greater social and entrepreneurial capital? Increasingly it is being recognised that, although business based, BIDs should consider the social outcomes of the initiative. The engagement with regeneration suggests that this should be part of the evaluation process. The Royal Society of Arts, Manufactures and Commerce 2010 Conference noted that BIDs will need to engage to a greater extent with the social outcomes of BIDs. Arts organisation involvement in other countries such as Australia, Ireland, Germany and Spain exemplify the importance of non-business participation in BIDs (Association of Town Centre Management, 2006). Obviously this reflects some of the concerns expressed about issues of privatising public space (Clough, 2006, Guy, 2006, Minton, 2006) but also the need to draw on voluntary groups and activities as part of the wider civic role of town centres. It raises issues of identity, civic roles of town centres and the focus of activity in a town centre. This may be reflected in the decision to locate activities and events in the town centre and in the social role of the town centre in the community. Enclosed or managed shopping centres represent very different spaces from those occupied by BIDs. Even where a BID operates it cannot have the same control over the space (Teller and Elms, 2010). The attractiveness of the managed shopping centre remains considerable and the place making task of BIDs and town centre managers is to make places which shoppers will wish to patronise because they are different and in which businesses will wish to locate (Warnaby, 2009).

5. Public Entrepreneurship

Negotiation and representation of stakeholders may be changed by the existence of a BID. Included here are funding issues. It is important to distinguish between achieving funding and achieving funding which furthers the goals of the BID and member aspirations. Key to the understanding of the entrepreneurship discussion is the way in which public and private partnerships have been able to deliver something that could not otherwise have been delivered. The performance of the partnership aspect of BIDs is very important in understanding how better town centres can be delivered. A BID offers the public authorities a recognised body to discuss plans with and it is important to know whether and in what ways this is making a difference for traders who are often unable to make their views heard amongst the other voices. Interestingly in Lausanne the BID did not continue after the first three years but it resulted in a new representation of businesses on the local authority with greater consultation on proposals impacting on local businesses (personal communication). A BID is therefore not a pre-requisite for this type of representation but the question arises as to whether it is a good way forward in the Scottish context.

Evaluation of how partnerships work is important in thinking ahead. The collective action should be more than mediation and should seek to achieve positive change. Potentially BIDs create a network which is supportive of the process and which can facilitate sharing of best practice. There are other ways of sharing good practice and every partnership has its own network potential but it is important to know whether it is beneficial to BIDs and in what ways.

Transferability also requires evaluation of partnerships. In Austria for example it works to promote tourism in towns such as Salzburg and Lienz although the funding and Chamber of Commerce structure make the operation very different from the UK (Stadtmarketing Lienz, www.ukbids.org/worldwide-BIDs.php, Coca-Stefaniak et al., 2009). In Germany it has been developed in residential neighbourhoods (Kreutz, 2009). The public private aspect of partnership works out very differently in different fiscal and socio-cultural contexts. Grossman (2010) sees the public private partnership as key to the concept of BIDs. The partnership is not to favour the goals of either business or public authority but to create a working collective to manage change. He notes (p.155), 'Business Improvement Districts are an addition to, not separation from, democratic governance, and exist at the defining point of a private/public social and economic dichotomy which defines the term 'community' in society as disparate or adversarial. As PPPs, however, BIDs dispel this divide in order to achieve progress, and are measured politically by this ability'. The public/private partnership seems to be a key feature of BIDs. Grossman concludes, 'the effectiveness of a BID is not

that public goods are privatised but that private capacities are used and managed as a public good' (Grossman, p.156). This partnership has certain implications for the future of BIDs in terms of funding. The 'collective' aspect also demands some sacrifice in terms of competitiveness between businesses which works in a spatially defined area.

6. Shaping Future Policy

Thematic BIDs and the spread of BIDs from town centres to business parks and other collective activities raises different issues from the town centre based model. They are less engaged with public spaces and the civic role of places. Public benefits of these are much more indirect. The model which favours public funding is harder to sustain in this context as the case for public funding is harder to justify. Other models such as the theme towns are operating in this context (Mcleod, 2009). The German application of BIDs to neighbourhood areas extended the BIDs concept although remaining an initiative for area-based regeneration in designated urban areas. Community Improvement Districts have also been tried out in the US (e.g. Atlanta) (Morcol and Zimmerman, 2008). Tourist based initiatives have been tried in Austria and problems did arise between policies for the tourist based industries and those of other town centre functions. A quarters based approach was considered more workable, emphasising the place rather than sectoral aspect of BIDs. As the 'ultimate place management policy tool' (Grossman, p. 157). BIDs are by definition spatially constructed rather than sectorally constructed.

There have been arguments put forward in both US and European examples that BIDs are there to address specific problems and that is what BIDs are about. There are others who view BIDs within a wider policy arena and view BIDs as not problem based but policy based. The way that BIDs in Scotland links to the wider town centre regeneration agenda is critical here.

Literature Review Conclusions

- The evaluation process should be part of the set up process with agreement about what measures are going to be used and how data is going to be made available.
- Process evaluation is different from impact evaluation
- Impact evaluation is intrinsically more difficult as it is hard to be sure that any changes are a result of BIDs rather than other national or local circumstances. However benchmarking is critical to establishing proxies for positive impacts. Being sure that positive impacts accrue across the district and businesses is important if support is to be maintained. Quantitative and qualitative measures should be used.
- Associative discourse is not a proxy for evaluation.

- Renewal is a poor way to evaluate BIDs. In recession it will always be harder to convince businesses of the benefits, particularly wider benefits.
- BIDs operate at the local level and engage local people and businesses. Evaluation must always be looking for success at the local level as a way of working to change local places. The engagement of the wider community is increasingly viewed as being important with the emphasis moving from business to community.
- Emplacement is a key feature of BIDs. Place making is important to BID strategy and evaluation.
- The role of BIDs in advocacy and networking is hard to measure but may be very important in getting access to funding, sharing new ideas and gaining legitimate bargaining powers.
- In the political context of public private partnership BIDs represents a way of working in empathy with wider socio-political trends and as such evaluation must consider how important this aspect is for the future development of strategies and policies for town centres.
- Public/private partnerships involving public funding will restrict the formation of BIDs where this is not appropriate but will facilitate BIDs in town centres.
- Learning from BIDs facilitates hybrid forms of BIDs and partnerships to promote town centre regeneration.
- There is the potential for BIDs to become integrated with town centre policy agendas.

BIDs Evaluation

Evaluation	Key issue	Questions	Interview
Accountability: Process Evaluation	Did the BID carry out suggested projects?	How was the money distributed? Were projects completed? Were projects adequately resourced? Were events effective? Did marketing work? Did all members pay the levy? What other funding was obtained?	Q31 Q10 Q13-16 Q19-23 Q25
Economic Impact Evaluation	Measures that show the effectiveness of BIDs	Do health indicators show a change relative to benchmark data? Is it possible to attribute any specific gains to the BID projects? Have there been differentials between types of business (multiple, independent) or parts of the area in perceived impacts?	Q34-36 Q38-39
Business Response	Do businesses perceive sufficient reason to renew the BID?	What is the likely impact of BIDs on propensity to vote to extend BIDs? Can the BIDs team argue the case based on demonstrable benefits? How has recession impacted on ability of business to renew? Were the hopes of businesses achieved or achievable? Can projects fulfil mission statements?	Q43-48
Social and entrepreneurial capital	Is the collective action sufficient motivation to continue a BID?	What are the social benefits of the BID? Which social benefits can be shown to have impacts on the area?	Q4 Q26
Public Entrepreneurship	How has BIDs changed an area's leverage or learning environment?	Has the BID helped broker new and/or better public private linkages? Has the BID offered new opportunities for shared expertise between BIDs? Has the BID improved cooperation between businesses in the area? How has the partnership aspect performed?	Q1-2 Q10-11 Q24
Shaping Future Policy	Is BIDs the best way to shape town centres?	Was the collective interest privileged?	

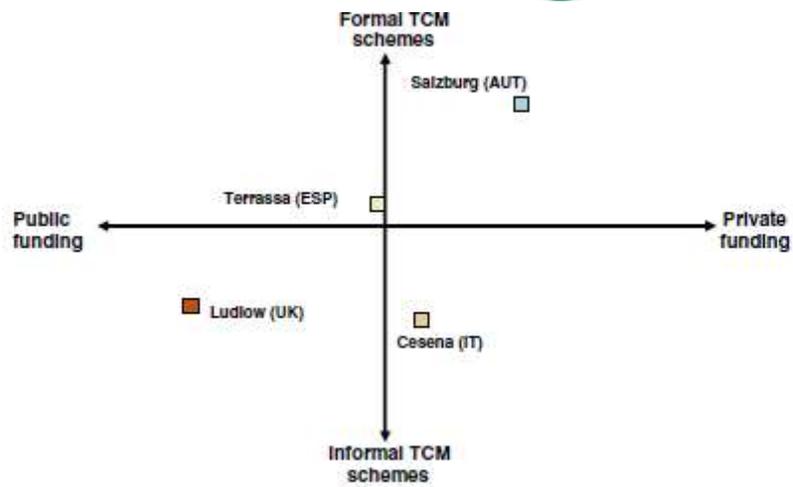


Figure 1 Matrix of Formality and Partnership

Source: Coca-Staniak et al. 2009

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Appendix D: National Outcomes Review

Scottish Government National Outcomes:

1. We live in a Scotland that is the most attractive place for doing business in Europe:

BIDs improve the physical and commercial environment, largely active within public spaces e.g. town and city centres, which are hubs for visitors

2. We realise our full economic potential with more and better employment opportunities for our people:

BIDs seek to improve the economic performance of businesses thereby creating employment opportunities

9. We live our lives safe from crime, disorder and danger:

Most BIDs have been activity in delivering projects that address crime and safety – actual and perception

10. We live in well-designed, sustainable places where we are able to access the amenities and services we need:

BIDs seek to improve the commercial environment for businesses, creating sustainable places that deliver a wide range of amenities and services for local residents

11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others:

BIDs have been effective in creating a cohesive business community, where businesses take the lead in developing project activity to address local issues

12. We value and enjoy our built and natural environment and protect it and enhance it for future generations:

BIDs have delivered projects that have improved the built environment, and seek to create sustainable places that will continue to deliver services for future generations

14. We reduce the local and global environmental impact of our consumption and production:

By improving the commercial environment, BIDs have sustained/improved the local service choice for local residents, thereby reducing the need to travel outwith their local area

15. Our public services are high quality, continually improving, efficient and responsive to local people's needs:

Whilst BID project activity is additional, they have worked with local public sector partners to improve the quality of local delivery, and ensure that services respond to local needs