
Business Improvement Districts and Town Centre Management: What has been their effectiveness and what are the future directions for these strategies?

Received (in revised form): 22nd December, 2014

Phil Prentice

is currently Chief Officer of Scotland's Towns Partnership (STP) — a new body recently set up with the support of the Scottish Government to coordinate and lead on delivery of the town centre action plan. He has 20 years' experience in the field of Economic Development & Regeneration.

Ian Davison Porter

is Director of Improvement Districts Scotland leading on Scottish Business Improvement Districts (BIDs) since their inception in 2006, and he is also vice chair of Scotland's Towns Partnership. He has significant experience in retail, town and shopping centres and urban regeneration.

Abstract This paper outlines the effectiveness and future direction for Business Improvement Districts (BIDs) and Town Centre Management strategies in Scotland's towns. Key issues include: the current context of Scotland's towns; the evolution of BIDs and community empowerment; town centre management; the effectiveness of both approaches; and the future direction for these strategies.

Keywords: *Towns, retail, community empowerment, town centre management, Business Improvement Districts, Scotland's Towns Partnership, BIDs Scotland, Association of Town Centre Management*

INTRODUCTION

Almost 90 per cent of the UK's population live and work in towns and cities, with virtually everyone depending on them for access to shopping, entertainment, leisure, culture, public services, transport and increasingly residential uses. Town and city centres also act as focal points for government and public administration, hubs of regional infrastructure and transport and as natural locations for trade and commerce: it is therefore difficult to overstate their importance. In a very real sense, they are

everyone's neighbourhood, and their effective management is central to the prosperity of local businesses and the well-being of whole communities.

Town centres are a key element of the social, economic and cultural fabric of Scotland, as they support innovation and wealth creation, and provide homes, shops, workplaces, leisure and accessible public services. To promote and support sustainable economic growth, Scotland needs its network of urban and rural places to work more effectively and to regain their creative, cultural, community

Phil Prentice

phil@Scotlandstowns.org

and commercial vibrancy. There are 479 towns across Scotland with a population of 1,000 or more, and many are still suffering from the effects of deindustrialisation, disinvestment and poor planning, continued and quickening urban agglomeration, retail channel shift (online and tablets) and difficulties associated with the ongoing economic downturn.

In recognition of the difficulties facing towns and local communities, the Scottish Government formed an External Advisory Group in 2012 to undertake a review of towns and this group subsequently published its findings.¹ Following this publication, Nicola Sturgeon, the then Deputy First Minister, stated: 'we want to take every measure possible to ensure our town centres are vibrant places'. The cross-party response to the review was published on 7th November, 2013,² and recommended implementing a range of actions, including 'Town Centre First Planning Principle/Proactive planning', 'Town Centre Living', 'Vibrant Local Economies', 'Enterprising Communities', 'Accessible Public Services' and 'Digital Towns'.

There are many approaches that communities, investors and local authorities employ to try to improve their towns, including partnerships, trusts and community-led initiatives, major master-planning and regeneration, Business Improvement Districts (BIDs) and focused Town Centre Management. This paper will now consider the effectiveness and direction of future strategies for BIDs and Town Centre Management approaches.

WHAT IS A BID?

Borne out of Town Centre Management Partnerships, the concept was originally set up in Canada, but took off in the USA in the late 1970s, with over 1,700 now established worldwide. There are now 48

operational or developing BIDs³ in Scotland. A BID is about businesses working together and in partnership with statutory bodies and local groups to bring about change and improvement to their local environment by means of a compulsory levy, delivering benefits to the businesses involved, while contributing to the wider aspirations of the local community and growing a sustainable local economy. In Scotland, BIDs are not restricted to town and city centres and can be developed in areas such as the tourism and visitor sector, commercial or industrial districts, rural areas, agriculture or single-sector business groups who wish collectively to improve their trading environment. A BID is not a substitute for central or local government investment, but an additional investment to strengthen the local economy aimed at giving local businesses a unified voice, helping to provide an arena for businesses and local authorities to increase their understanding of each other's priorities. The main statutory instrument governing BIDs in Scotland is the Planning etc (Scotland) Act 2006, a bespoke piece of legislation that reflects the Scottish political, social and economic landscape.

In Scotland, the main differences between BIDs and Town Centre Management are that BIDs are funded primarily by the business sector and driven and directed by the businesses, as opposed to Town Centre Management, which was or is funded primarily by the public sector and resides as a department or offshoot of the local authority. Many BIDs across Scotland receive public-sector funding either as contributions to the operation of the BID or as contributions to projects and services that deliver on local authority or Scottish Government objectives. This partnership approach in Scotland brings about strong local partnerships with a common purpose, local accountability and responsibility. The

integrated support provided by the Scottish Government and BIDs Scotland (the national organisation for BIDs in Scotland) is vital in assisting local communities to grow stronger through collective effort and investment, improving the sense of place, growing the local economy and engendering civic pride that would not have happened in the absence of a BID. The BID vehicle is also flexible enough to attract external funding streams that a local authority may not be eligible to access, which can add further investment to the BID. The ambitions and remit of Scottish BIDs extend far beyond the normal activities of Town or City Management.

TOWN CENTRE MANAGEMENT

Town Centre Management is a coordinated initiative, funded and based primarily on the public sector, designed to ensure that town and city centres are desirable and attractive places. In nearly all instances, the initiative is a partnership approach, bringing together a wide range of key interests. In Scotland, there are seven town or city initiatives where a Town Centre Management approach is preferred. As locally developed initiatives working across centres of different scale, they are naturally varied in terms of their remit and activities. What they have in common is their promotion of a centre as the heart of its community.

Unlike BIDS, they are more homogeneous, more informal and are not governed by any legislation. The Association of Town Centre Management (ATCM) is a not-for-profit mutual and has vast experience of research and policy, along with a wide range of products and services available to members, and often non-members, to help improve the town's environment. In Scotland, Scotland's Towns Partnership (STP)⁴ has recently been appointed as the lead body on

towns, and negotiations are under way as to how the ATCM⁵ can work productively in partnership under the wider STP umbrella. There will be some instances where a Town Centre Management approach is more appropriate and, as such, this still forms part of the support to towns.

SCOTTISH CONTEXT

With 28 operational BIDs and a further 20 under development, BIDs are the preferred partnership structure for Scotland's towns rather than the traditional Town Centre Management/Partnership approach, which even before the introduction of BIDs was in decline following the realignment of public-sector priorities in the middle to late 1990s. The current 100 per cent success with BIDs at the five-yearly renewal ballots, ie existing BIDs are all voting to continue with the model, demonstrates that businesses value the work and impact of their local BIDs. Given the pending Community Empowerment (Scotland) Bill, BIDs provide a great example of local communities engaging and taking ownership to tackle a range of issues that affect them. Given the emphasis that the Scottish Government places on community empowerment, it is likely that further support will be given to BIDs to scale this model up across the country. Indeed, a priority for Scotland's Towns Partnership is to support the growth of BIDs by developing a wider range of support packages, town toolkits and available funding.

SUCCESS OF BIDS

There is no simple or direct comparison between managed towns and towns with a BID. Every town has its own set of challenges, and there is no 'one size fits all' solution. What one can say is that, where

the public sector works closely alongside its town centre businesses, whether in a BID or in a partnership, there is a greater chance of success. Some of the early figures from the National Report on BIDs⁶ in Scotland in March 2013 show that some of the benefits of BIDS include

- better understanding between the public and private sectors
- strong local partnerships with a clear direction and a high level of local responsibility and accountability
- a decrease in duplication of effort
- improved entrepreneurship and increased local capacity
- increased coordination with community groups.

In Scotland, BIDs⁷ have helped to secure more than £35m of additional investment since their inception, and anticipate that they will have engaged with over 16,500 businesses by the end of 2015. Critically, there is a real BID community across Scotland of established, new and emerging BIDs working collectively together, with partners and BIDs Scotland delivering local improvements and change for their businesses and local communities.

DIRECTION OF FUTURE STRATEGIES

Towns are at a crossroads — while local retail is shrinking (eg one in five pubs have shut between 2007 and 2012, and a shop now shuts every day),⁸ the sector still employs 225,000 people and accounts for 15 per cent of new business starts. There is also a growth in demand for local services, coupled with a better understanding of local community, shared heritage and the important role that towns perform in terms of housing, employment, transport, social well-being, regional economic growth and culture.

With STP now established and offering new support to towns, it is clear that the

Scottish Government has recognised the important role that towns perform in relation to achieving sustainable economic growth. The STP will be expected to draw together a community of best practice and to empower towns and localities to take action. The message from the Scottish Government is clear: they will provide the enabling legislation and policy, but it is then up to communities to empower themselves to make their towns better places. The BIDS have been a great example of this.

BIDS Scotland estimates that, by the end of 2015, there will be 50 operational BIDs, and 150 by 2020: like them or loathe them, BIDs appear to be working well and, properly developed as a long-term strategic model, will be delivering improvement and change for a long time to come.

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