

# **PRESS RELEASE**

## **A TOURISM “BID” FOR NAIRNSHIRE**

### **INTRODUCTION**

Alastair Noble (Chair Nairn Improvement Community Enterprise (“NICE”), Michael Barnett (Secretary of NICE), Michael Boylan (Chair of the Association of Nairn Businesses (“ANB”) and Michael Green (Elected Highland Councillor) have been collaborating since November 2015 to investigate whether a “BID for Nairnshire” should be established. “BID” stands for Business Improvement District. The work has been fully supported by The Highland Council, and has reached the conclusion that a BID for Nairnshire is highly desirable, if not essential. Highlands and Islands Enterprise (“HIE”) have also given their full support. The logic for a BID for Nairnshire is for the reasons we explain below, and is essentially because it is realistically the best opportunity for the community of Nairnshire to come together and work towards the aim of making Nairnshire a destination of choice for visitors. Everybody will have to play their part in this – the business community, the statutory authorities, the voluntary bodies, and elected representatives. It will be an opportunity for the great ideas that are out there (eg for the harbour, the seafront, and the Town Centre) to be brought into a structured approach for the regeneration of Nairn and Nairnshire.

An initial “Seedcorn” grant was secured from Scottish Government in May to fund the first phase of the project, and we have recently received “matching” funding commitments from The Highland Council and HIE.

In this note we explain what a BID is, why we believe we in Nairnshire must work together to establish one, and how the project will proceed. In so doing we declare our joint commitment to making it happen.

### **WHAT IS A BID?**

“BID” stands for Business Improvement District. It is a model operated worldwide, and the Scottish Government has been a particularly strong supporter with a department dedicated to the promotion and support of BIDs. The ultimate aim of a BID is to generate increased economic activity, which in a tourism area means increased visitor footfall and, with it, increased spending.

A BID is a business-led initiative where businesses work together and invest collectively in local improvements to their business environment. It should be a partnership between public and private sectors. A BID is not a substitute for central or local government services, but it is a way in which additional funding can be raised, and has the attraction that the businesses decide how to use that funding.

The BID vehicle is typically a Company Limited by Guarantee whose members are the local businesses paying into the BID; they would choose a

Board of Directors, and the company would employ a Manager and support staff to deliver an agreed business plan over a 5 year initial period. Besides the normal corporate governance issues, an important statutory aspect of a BID is that the legislation requires that the Local Authority collect contributions (“a levy”) from the owners of commercially rateable properties in the BID area. The levy is in effect an additional amount payable under the commercial rating system.

So, stripped to its essentials a BID is a five year agreed business plan that operates to a budget, and the payers of a rating levy determine how to spend the levy and any other funding that can be secured. From the research undertaken (see below) the typical annual budget for a town of Nairn’s size would be about £150,000, and the typical small business would pay an annual levy in the range £150 to £250. It is not difficult to work out how even quite a modest increase in local visitor footfall will amply repay the annual expense of £250 – perhaps 6 extra visitor nights for a small hotel, and for the area’s service providers (eg butchers and plumbers) a commensurate increase in sales to the hotel owners. Big businesses (eg supermarkets) would pay an annual levy of the order of £5,000.

## **WHY SHOULD NAIRNSHIRE HAVE A BID?**

For as long as many of us can remember, Nairn has debated with itself what it wants to be, and has rightly or wrongly felt ignored. Various initiatives aimed at economic regeneration have happened, and typically run out of steam or not been supported by key elements of the community. The initiatives have focussed mainly on the High Street and tourism. In one way or another they have all been about increasing visitor footfall, in recognition that without increased and sustainable footfall Nairnshire as a tourist destination will not prosper. But what has been lacking is a joined up approach, any structure into which the initiatives can fit, no discipline such as a budgeted business plan for a lengthy period, and most fundamentally the absence of a shared vision of where Nairn and Nairnshire want to be positioned.

There are three options for Nairnshire’s approach to its future which almost inevitably will rely on tourism – to go backwards, to do nothing, or to move forwards. Doing nothing is effectively in today’s competitive world equivalent to going backwards, and it would appear to be a no-brainer that Nairnshire should take steps to go forwards, which as stated essentially means increasing the visitor footfall. Given Nairnshire’s and the Highlands’ natural assets, the focus must be on tourism in all its forms, and we have to recognise that we are in competition with everything and everybody outwith Nairnshire – the rest of the Highlands and Scotland, the UK and the world.

We must also be brutally frank with ourselves. There have in recent years been too many separate factions and interests in Nairnshire and an abject failure to work together at all levels. Time and time again new ideas have been met with negativity and there has been no proper engagement to examine their merits. That is not fair to those who have demonstrated their

commitment to risk and generating ideas, nor is it fair to the community who are denied the opportunity to express a view. Continuing to be frank, when we engaged with HIE to seek support, the feedback was that “Nairn must speak with one voice” and that one phrase probably encapsulates the key challenge.

There is no point in looking backwards, let alone apportioning blame, and to go forward to success we must recognise collective responsibility for past failures and resolve to not let that happen again. We must work together constructively as a community. We do think this is the “last chance saloon” for Nairnshire, because if we do nothing competitors will increasingly take market share, and the pool of unpaid volunteers with the energy and commitment required to change things will steadily diminish.

### **WHY WILL A BID MAKE A DIFFERENCE TO NAIRNSHIRE?**

There are five very good reasons to believe this.

The **first** is that a BID offers a structured approach, because it involves a company working to an agreed 5 year business plan and budget.

The **second** is that the local businesses that own the company pay a levy, they control the company, and it is in their interests that it should work and that they get a return on their investment.

The **third** is that the company employs people (a manager with support staff) to run the business of the BID to an agenda set by the owners of the BID company.

The **fourth** is that there is no direct political influence on the BID company, and it is unlikely that factions with their own agendas will be able to influence it. The BID company owners decide what it is going to do and it succeeds or fails by reference to its own efforts and decisions.

The **fifth** is that Scottish Government and the Highland Council are fully committed to making BIDs work. There is ample evidence of success across Scotland, and that local BIDs have been real game changers.

Of the above, the third is probably the most significant because it brings a new aspect – local businesses pay people to deliver the business plan they determine. It is also worth noting that BID funding is probably unique in that the levy is a payment determined by statute, but spending the funds raised is entirely under the control of local businesses.

### **WHAT ABOUT THE TOWN CENTRE?**

Although it has not received much publicity in the last year, there is a plan for the Town Centre, being the output of two public Charrettes hosted by The Highland Council. The “Nairn Town Centre Plan” report was published in

October 2015, and records that NICE, the ANB and The Highland Council have committed to working together to deliver it. Through its membership of DTAS (the Development Trusts Association of Scotland), NICE secured a grant from Scottish Government to hire an adviser to take the project forward. The Highland Council and NICE organised events in April to share what was planned with local representative bodies, and NICE will be presenting the Charrette conclusions and the recommendations of its adviser for next steps to the community in the New Year..

The point about the Town Centre Plan is that it is a vital element in the regeneration of Nairn. It is common ground that the town's centre must act as a "magnet" for visitors, and as a link to the High Street and Nairn's visitor attractions. It is also common ground that the King Street building housing the old police cells should ideally be brought into use as a "gateway" to the town centre. The plan for a micro-distillery regrettably stalled, and it is hoped that the BID will play an important role in making sure the building is put to best use with the object of increasing visitor footfall.

### **WHAT STEPS HAVE BEEN TAKEN TO RESEARCH BIDs?**

BIDs are administered by a team in Scottish Government and their Director Ian Davison Porter made an initial visit to Nairn in November 2015 and strongly encouraged Nairnshire to seek BID status. It was recommended that we visit other BIDs, and Highland Council arranged a first meeting with the Loch Ness and Inverness City BIDs. We then visited Oban, Largs and Crieff, and NICE through its membership of DTAS was able to secure a grant which funded us to do this. The information gathered was invaluable, and a summary of key messages is attached as Appendix 1.

### **WHAT DO BIDs TYPICALLY DO?**

There is no prescriptive list, but the BIDs we visited have done things ranging from enhancing local services and facilities to promoting events and festivals. Nothing is ruled out, subject to the limitation that the BID cannot replace services that the Local Authority is obliged to provide.

### **WHAT OTHER BENEFITS CAN BE EXPECTED FROM HAVING A BID?**

The most obvious is the community cohesion that it brings – a structure through which the whole community can work to deliver what it wants. Fundamental to this will be establishing a shared vision of the objective, and the BID will be the enabler for this.

From the funding perspective, there is widespread evidence that having a BID provides leverage and opens the doors to other funding streams. So whilst the annual budget of the BID will not support "big ticket projects", the fact that the community is working with and supporting the BID gives funders the confidence that there is community commitment, and that the community deserves financial support. This is one respect that Nairnshire for the reasons

mentioned above has struggled with attracting the attention of funders. We have to recognise that we are in a competitive world for funding, and we have to demonstrate community cohesion to even open the doors.

## **WHAT SUPPORT CAN WE EXPECT FROM SCOTTISH GOVERNMENT, THE HIGHLAND COUNCIL and HIE?**

There is an office in Scottish Government that is responsible for BIDs, and it is clear that they are very “hands on”. Their expressed intention is that every BID should succeed and they have made it clear that we can expect a very high level of support and assistance from them and from the BID network. We were invited with other prospective BIDs to an induction event in September and have been provided with templates for matters such as recruiting paid staff.

We have also been offered full support from The Highland Council. A condition of the award of our Seedcorn Grant was written support from The Highland Council, and this was given (see Appendix 2). Their officers have begun to work with us, and their experience of the Loch Ness and Inverness City BIDs will be invaluable. Finally, HIE have confirmed that they will give financial support to the first phase (see below), and that they will always be available for consultation and advice.

## **HOW WILL THE BID PROJECT BE MANAGED?**

There are two phases. The first is the planning stage funded in part by the Scottish Government “Seedcorn” Grant. This typically takes 15 months and involves preparing a business plan, consulting the business and wider community, and effectively selling the BID concept to the local business community who of course will be paying for it via the levy. At the conclusion of this phase there is a ballot of the business community and certain statutory thresholds have to be exceeded in the vote. If the ballot fails then the BID is not established. We will use the Grant and other funding to hire an independent and experienced person to act as the project coordinator to do the work, and key to this will be face-to-face meetings with all local businesses who will have a vote in the ballot. Most importantly, we will not do the work ourselves.

The second phase is after a successful ballot when the BID becomes a reality and the 5 year business plan has to be delivered. By then the potential directors of the BID company will have been identified and the BID company will be established and tasked with delivering its 5 year business plan. We envisage that it will do this in collaboration in particular with voluntary sector groups such as Keeping Nairnshire Colourful, and with tourism related groups such as VisitNairn. These will benefit by being part of a structured approach that coordinates their activities with the BID company which will be able to employ people, enter contracts, and raise funding (with the assistance of NICE when appropriate) to deliver and support the activities.

## **WHAT IS THE ROLE OF THE STEERING GROUP?**

We have jointly taken the initiative to steer the project through the first phase. NICE as a company, a Community Body and a registered charity has been able to secure the necessary funding, and has the capacity to enter into contracts. NICE's role is agreed to be that of facilitator and enabler; the ANB's Chairman Michael Boylan is the link with business; and Michael Green as a Highland Councillor provides the vital link to the Highland Council and other Elected Councillors.

At a point in time close to the ballot the steering group's task will have been completed, and it is envisaged that will be when the directors of the new BID company are ready to take the project forward. It is envisaged that beyond that NICE's role will be supportive in that as a Community Body it represents the community, and as a charity can access funding for community projects that the BID company as a commercial enterprise cannot. In other words, joint working for the benefit of the whole community will happen.

*Alastair Noble – Chairman of NICE*

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*Michael Boylan – Chairman of the ANB*

*Michael Green – Highland Councillor*