

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	12 January 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen City Centre Business Improvement District (BID) Renewal Proposals 2021-2026
REPORT NUMBER	COM/21/022
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Richard Sweetnam
TERMS OF REFERENCE	1

1. PURPOSE OF REPORT

- 1.1 To consider the Council's option to veto the Business Improvement District (BID) renewal proposals; and, if the ballot is to proceed, the date on which it will be held.

2. RECOMMENDATION(S)

That the Committee:-

- 2.1 resolves ***not*** to veto the BID renewal proposals drawn up by Aberdeen Inspired in respect of the Aberdeen City Centre Business Improvement District for 2021-2026 and instructs the Chief Officer – City Growth to arrange for the issuing of the requisite notices under section 42 of the Planning etc. (Scotland) Act 2006; and
- 2.2 in the event of recommendation 2.1 being approved, instructs the Chief Officer - Governance as Returning Officer to arrange for the holding of a BID renewal ballot on 25 March 2021 in relation to the BID renewal proposals and to take any other actions which may be necessary in connection with this process.

3. BACKGROUND

- 3.1 BID procedures are governed by the Planning etc. (Scotland) Act 2006 and the Business Improvement Districts (Scotland) Regulations 2007.
- 3.2 The current Aberdeen City Centre BID arrangements, as renewed in 2016 for a period of five years, are due to end on 31 March 2021. The arrangements are to enable specified projects to be carried out for the benefit of Aberdeen City Centre and those who live, work or carry out any activity there.

- 3.3 Aberdeen BID Company Ltd (known as Aberdeen Inspired) has once again submitted BID renewal proposals to the Council and requested that the Council instruct the holding of a renewal ballot in relation to those renewal proposals, for a further five year period to 31 March 2026. The Council is now required to give notice to Aberdeen Inspired and the Scottish Ministers on or before 13 January 2021 as to whether or not the Council is vetoing the renewal proposals. Such notice must set out the reasons for the exercise (or non-exercise) of the veto and a ballot cannot be held if the proposals are vetoed.
- 3.4 Appendix 1 to this report comprises the BID renewal proposals (for the period 1 April 2021– 31 March 2026) which Aberdeen Inspired wishes to be put to a ballot on 25 March 2021. This indicates the formal proposal to proceed to a ballot. However a supporting business plan that will set out the detailed proposals is being finalised that will be used to inform levy payers of the planned activities for the new period.
- 3.5 The Council may veto proposals only if it considers that the proposals are likely to:
- a) conflict with any structure plan, local plan, strategic development plan or local development plan which has been approved or adopted under the Town and Country Planning (Scotland) Act 1997 and which applies to the proposed BID or any part of it,
 - b) conflict to a material extent with any policy formally adopted by and contained in a document published by the Council (whether or not the Council are under a statutory duty to prepare such a document), or
 - c) lead to a significantly disproportionate financial burden being imposed on—
 - (i) any person entitled to vote in the ballot on the proposals, or
 - (ii) any class of such persons,as compared to other such persons or classes.
- 3.6 In deciding whether to veto proposals, the Council must have regard to the following matters:
- a) the level of support (as evidenced by the result of the BID ballot) for the BID proposals, where this information is available;
 - b) the nature and extent of the conflicts mentioned above;
 - c) the structure of the proposed BID levy and how the financial burden of the BID is to be distributed amongst ratepayers and the other eligible persons in the geographical area of the BID;
 - d) how the financial burden of the BID may have been disproportionately distributed among ratepayers and the other eligible persons as a result of the selection of the geographic area or areas of the BID;
 - e) the extent to which the BID proposer discussed the BID proposals with the Council before submitting the BID proposals to the Council; and
 - f) the cost incurred by any person in developing the BID proposals and canvassing in relation to the BID proposals.

4. ISSUES

- 4.1 The outcome of such a ballot would determine whether or not the BID continues beyond 31 March 2021. This would be an individual decision for each eligible voter based on their review of the proposals supplied by Aberdeen Inspired. The proposals for the next five year period are not dissimilar to those of the current period.
- 4.2 The proposal in Appendix 1 has been submitted to Scottish Towns Partnership and the Scottish Government against the relevant legislative requirements and against the BIDs good practice guidance. At the time of this report there have been no comments made on the proposals.
- 4.3 Given the content of the proposals, it is not considered that they are likely to lead to a conflict or significantly disproportionate financial burden as described at section 3.5 above. The geographic area covered by the BID is proposed to remain the same as in previous terms. Further, Aberdeen Inspired has been canvassing levy payers and around 80% of those consulted to date are reported to be in favour of proposals.
- 4.4 It is therefore considered that the Council should not veto the proposals and should give notice to Aberdeen Inspired and the Scottish Ministers that it is not vetoing the proposals, and that the holding of the ballot should be formally instructed.
- 4.5 If the ballot is to proceed, the Chief Officer – City Growth will report to the Council in March 2021 seeking its decision on how it will vote in the ballot – i.e. on whether it will vote ‘for’ or ‘against’ the BID renewal proposals.
- 4.6 Officers have discussed the implications of Covid-19 and the current lockdown on a ballot occurring on 25 March 2021 with officials from Scottish Government and Scottish Towns Partnership. Under existing legislation there can be no delay in a ballot solely based on the impact of Covid-19, although Scottish Government officials are discussing this with the Scottish Towns Partnership. Officers understand that there may be guidance issued by Scottish Government in the near future that might provide clarity on any circumstances and conditions that could enable a delay of a ballot in response to the immediate challenges and risks arising from the lockdown on a re-ballot. If there are any changes, elected members will be updated at the March meeting of the Council.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no direct financial implications for the Council arising from the recommendations of this report. Aberdeen Inspired has confirmed that it will meet the costs of the BID renewal campaign and ballot and has sufficient funds to do so.
- 5.2 Aberdeen Inspired approached officers to establish whether there could be support from the Council’s Election Team for the ballot. Officers have responded that preparations currently underway for the Scottish Parliament

elections in May 2021 could be affected and therefore it would not be able to support the management and delivery of the ballot.

5.3 The Returning Officer would therefore outsource the ballot arrangements in order that the ballot does not impact on the Council's staff resource and this cost would be funded from within the Aberdeen Inspired budget.

5.4 This process is a natural conclusion to the expiring five year term of the BID, and is anticipated by all relevant partners and levy payers. As Aberdeen Inspired is funding the administration of this ballot, there are no direct financial consequences in relation to the running of the ballot to any other parties, including the Council.

6. LEGAL IMPLICATIONS

6.1 In terms of the Planning etc. (Scotland) Act 2006 and the Business Improvement Districts (Scotland) Regulations 2007, the Council is required to give notice that it is or is not vetoing the proposals. It must exercise this power of veto in compliance with the statutory requirements, as summarised in section 3 above. If the Council vetoes the proposals, any person who would have been entitled to vote in the ballot may appeal to the Scottish Ministers.

7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	The report has an adverse effect on Council's priorities	L	The development of the city centre and support to its businesses are embedded across economic strategies and plans, and the CCMP
Compliance	Non-compliance with legislation concerning power of veto.	L	Exercise power in compliance with the statutory requirements, as summarised in this report.
Operational	Officers cannot support the ballot process	L	Outsourcing administration of the ballot
Financial	The resources are not in place to deliver the ballot	L	Officers confirmed the budgeted costs for ballot and this funding is within Aberdeen Inspired's overall budget
Reputational	Vetoing the proposals would deny businesses the opportunity to decide for themselves	M	Approving the recommendations.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
	whether the BID should be renewed.		
Environment / Climate	The report and BID has a negative environmental effect	L	The BID is a consultee in all of the Council's interventions in the city centre to address climate impacts

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The Business Improvement District directly supports the Policy Statement's aim to increase city centre footfall through delivery of the City Centre Masterplan.
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The Business Improvement District focuses on the city centre business sector and therefore the proposals support the overall stretch outcome target to increase tourism, leisure and hospitality employment.
Prosperous Place Stretch Outcomes	The Business Improvement District are a key partner in delivery of some of the activities within Aberdeen 365 Events Plan and indirectly support place based activity in the city centre
Regional and City Strategies	Engagement with business is a key element of the Council's work to support the Regional Economic Strategy, the CCMP, and, more recently, its Socio-Economic Rescue Plan. The BID is an important group in engagement with city centre businesses, and the Tourism, Leisure, Retail and Hospitality sectors in particular.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not required
Data Protection Impact Assessment	Not required

10. BACKGROUND PAPERS

10.1 None

11. APPENDICES

11.1 Aberdeen City Centre Business Improvement District Business Proposal (Term: 1st April 2021– 31st March 2026).

11.2 The Proposal in Appendix 1 refers to its supporting appendices some of which may contain exempt information. These are being circulated to members of the committee separately in confidence.

12. REPORT AUTHOR CONTACT DETAILS

Name	Richard Sweetnam
Title	Chief Officer – City Growth
Email Address	rsweetnam@aberdeencity.gov.uk
Tel	07753 895034