

ABERDEEN CITY COUNCIL

COMMITTEE	Urgent Business Committee
DATE	12 April 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Aberdeen City Centre Business Improvement District (BID) Proposals 2021-2026
REPORT NUMBER	COM/21/095
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) Proposals 2021-2026; and, if the BID ballot is to proceed, the date on which it will be held.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 resolves ***not*** to veto the BID Proposals 2021-2026 drawn up by Aberdeen Inspired in respect of the Aberdeen City Centre Business Improvement District 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 ballot on 24 June 2021 in relation to the BID 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 previous Aberdeen City Centre BID arrangements, as renewed in 2016 for a period of five years, ended on 31 March 2021. The arrangements were to enable specified projects to be carried out for the benefit of Aberdeen City Centre and those who live, work or carry out activity there.
- 3.3 It was previously anticipated that, following a request from the Aberdeen BID Company Ltd (known as Aberdeen Inspired), there would be a BID renewal

ballot on 25 March 2021 concerning the proposed renewal of the BID for a further five year period to 31 March 2026. Reference is made to the Urgent Business Committee decision of 12 January 2021 in that regard. However, Aberdeen Inspired subsequently requested instead that a ballot be held on 24 June 2021 and so no ballot took place in March and the BID ended on 31 March. The Council is now required to give notice to Aberdeen Inspired and the Scottish Ministers on or before 14 April 2021 as to whether or not the Council is vetoing the BID 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 Proposals (for the period 1 July 2021 – 30 June 2026) which Aberdeen Inspired wishes to be put to a ballot on 24 June 2021. This outlines the key themes and main objectives, the BID levy and how the funding will be used against the key themes.

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.

3.7 Council officers have considered the matters at 3.6 above and would comment as follows:

- a) When the renewal ballot took place in 2016, 293 votes were cast with 184 (63%) in favour and 109 (37%) against.
- b) Due consultation with Council Services has been undertaken as to the key themes and objectives of the BID Proposals 2021-2026 and officers are of the view that there are no conflicts with the relevant plans or Council policies. Council officers would encourage Aberdeen Inspired to continue to work closely with the Council to ensure appropriate alignment with our plans and policies in the event that the BID Proposals are approved by a ballot in June.
- c) Officers are satisfied with the level of detail within the BID Proposals as to the BID levy, how it will be paid and exemptions.
- d) As with c), this is addressed within the BID Proposals and officers do not consider that the proposed geographic area of the BID would result in a disproportionate distribution of the financial burden of the BID. The Business Proposal includes a map of the BID area.
- e) The Council's Director of Resources attends Aberdeen Inspired Board Meetings. The Board undertook research to determine whether businesses would like to see a BID continue and, if so, the key aspects required for a successful ballot. The key findings of this research, which informed the BID Proposals, have been shared with the Council.
- f) Aberdeen Inspired has confirmed to the Council that Aberdeen Inspired will meet the cost of developing the proposals and any canvassing work from its own budget. The cost of the ballot campaign, including developing the proposals, engagement with businesses, administration and canvassing work is approximately £40,000.

3.8 The outcome of the requested ballot would determine whether or not a new BID comes into force. If the BID Proposals are approved by ballot, the BID would commence on 1 July 2021. The outcome of the ballot would depend on the individual decisions of each eligible voter based on their review of the proposals supplied by Aberdeen Inspired. The proposals for the next five year period are mainly building on activities previously undertaken by Aberdeen Inspired, such as day-to-day support for businesses, continuing to attract people to the city centre, agile city centre management and positively promoting the achievements and products of levy payers. Additional investment into the city will continue to be sought. New objectives include a focus on business recovery as a result of the Covid-19 pandemic, a renewed focus on cleanliness (going beyond the baseline services provided by the Council) as well as building on footfall data through enhanced analysis.

- 3.9 The BID Proposals have been submitted to Scottish Towns Partnership and the Scottish Government in terms of the relevant legislative requirements and the BIDs good practice guidance. The Scottish Government have provided some comments, informed by the Scottish Towns Partnership, which have been addressed by Aberdeen Inspired.
- 3.10 Given the details in 3.7, 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 on 24 June 2021 should be formally instructed.
- 3.11 If the ballot is to proceed, the Chief Officer – City Growth will report to Full Council on 21 June 2021 seeking the Council’s decision on whether it will vote ‘for’ or ‘against’ the BID Proposals.
- 3.12 Should the ballot proceed on 24 June 2021, guidance will continue to be sought to ensure it is conducted safely and in keeping with Covid-19 restrictions.

4. FINANCIAL IMPLICATIONS

- 4.1 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 ballot and has sufficient funds to do so.
- 4.2 Aberdeen Inspired approached officers to establish whether there could be support from the Council’s Election Team for the ballot. Officers have responded that, due to the work this year in connection with the Scottish Parliament election, it would not be feasible for the Council to support the management and delivery of the ballot.
- 4.3 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.
- 4.4 As Aberdeen Inspired would be funding the administration of this ballot, there would be no direct financial consequences in relation to the running of the ballot for any other parties, including the Council.

5. LEGAL IMPLICATIONS

- 5.1 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.

6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	The report has an adverse effect on the 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 whether there should be another BID.	M	Approving the recommendations.
Environment / Climate	The report and BID has a negative environmental effect	L	Aberdeen Inspired is a consultee in all of the Council's interventions in the city centre to address climate impacts

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The BID 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 BID 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 BID is a key partner in delivery of some of the activities within Aberdeen 365 Events Plan and indirectly supports 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 element of engagement with city centre businesses, and the Tourism, Leisure, Retail and Hospitality sectors in particular.

8. IMPACT ASSESSMENTS

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

9. BACKGROUND PAPERS

9.1 None

10. APPENDICES

10.1 Aberdeen City Centre Business Improvement District Business Proposal (Term: 1st July 2021– 30th June 2026) - exempt.

The above Business Proposal refers to supporting appendices which will be circulated to members of the committee separately in confidence as several of the documents contain personal data, as well as information relating to financial and business affairs of other parties.

10.2 BID Business Plan 2021-2026 - exempt.

11. REPORT AUTHOR CONTACT DETAILS

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