

## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	2 March 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	Aberdeen Inspired BID Ballot
REPORT NUMBER	CHI/16/047
CHECKLIST COMPLETED	Yes

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### 1. PURPOSE OF REPORT

To provide the Council with an update on the progress of Aberdeen Inspired, the Business Improvement District (BID) for the city; and to recommend to the Council on whether it votes to renew the BID for the next five years.

### 2. RECOMMENDATION(S)

It is recommended that the Council votes to renew the Aberdeen BID for a five-year second term.

### 3. FINANCIAL IMPLICATIONS

The successful renewal of the Ballot will require the Council to meet the cost of an additional levy on its non-domestic properties in the BID area based on the rateable value of those properties. This levy is estimated to be in the order of £45,000 per annum. If the renewal ballot is successful, the Aberdeen Inspired Business Plan indicates that a minimum estimated £6.5m will be available for implementation improvement proposals.

### 4. OTHER IMPLICATIONS

If the BID is not renewed there is a policy and reputational risk for the Council if it fails to build upon an already successful initiative that has been delivering tangible improvements to the BID area in its first five year term, and have received positive evaluation from BID levy payers.

A full equality and human rights impact was not required, as this proposal will have a positive impact for all the equality target groups.

### 5. BACKGROUND/MAIN ISSUES

***What is a Business Improvement District (BID)?***

A BID is a partnership between a local authority and the city centre business community with the objective of developing and implementing projects that the local authority are not required to provide considered to be beneficial to the trading environment within the boundary of a clearly defined commercial area.

### ***Aberdeen BID history***

The BID for Aberdeen covers the heart of the city centre and contains the main retail, office and leisure areas. The first Aberdeen five-year BID term was established in 2011 as a result of a successful ballot to establish the BID. The BID is run by Aberdeen Inspired which is led and funded by the business community and are running a ballot for a renewal.

### ***Eligible voters and the ballot process***

The BID ballot is a confidential postal ballot. A notice of ballot was sent to all eligible voters by 21st January 2016, followed by the ballot papers on 4th February 2016. All eligible voters (i.e. those persons liable to pay non-domestic rates on properties with a rateable value of or above £27,500) will have one vote or where an eligible person is liable for non-domestic rates in the BID area for more than one property, they shall be eligible to cast more than one vote and will also be required to pay the levy for each of the properties they occupy. The Council currently owns 14 premises within the BID area.

Eligible persons have six weeks to cast their vote before the ballot closes at 5pm on Thursday 17<sup>th</sup> March 2016. Of those that vote, over 50% by number and 50% by combined rateable value must vote in favour of the BID. This is intended to balance the interests of small and large ratepayers. In addition there is a requirement in terms of turnout for a minimum of 25% of eligible persons and combined rateable value.

The ballot paper should be completed by placing a cross in either a 'YES' or 'NO' box, as a response to the question: 'Are you in favour of a BID?'

### ***BID funding levy***

Aberdeen Inspired believe that a BID levy is an equitable and fair way of funding additional projects and services that the Council are not required to provide and this has been in place already for the first five year term of the BID. If the BID is renewed, businesses (with a rateable value of or above £27,500) in the BID area will be required to pay a levy on their non-domestic rate bills. A general levy of 1% based on the rateable value for each property which exceeds the threshold has been agreed by Aberdeen Inspired's Board of Directors. Many small businesses will not be required to pay, whilst still benefiting from the improved conditions.

Along with significant voluntary contributions, the Council may also provide a degree of funding, subject to approval, to help augment the BID levy for city centre projects and initiatives that may also contribute to the Council's own

priorities, and specifically the City Centre Masterplan and delivery programme.

### ***The BID duration***

It is proposed that the Aberdeen BID is in operation for a further period of five years from 1<sup>st</sup> April 2016 to 31st March 2021. At the end of the five year period, further consultation is required, together with a new business plan and a successful renewal ballot to enable the BID to continue for another five year period.

### ***What has been achieved so far in the first term of the BID***

The work of Aberdeen Inspired in the first five years of the BID has been focussed around building an attractive city centre, marketing and promotion of the city, creating a safe and secure city centre, getting people out and about the city and providing a united voice for businesses for the city's future. Projects have included:

- Creative lighting scheme installed around Golden Square illuminating the central statue of the Duke of Gordon and surrounding area.
- A partnership project resulting in the opening of an exciting new roof garden on the top of the St Nicholas Shopping Centre.
- Co-funding 60 Big Belly refuse bins fitted with solar powered compactors
- Organising, funding and co-funding winter and xmas festivals
- Funded a range of TV adverts promoting Aberdeen for food, drink, events, sports, festive attractions, retail sector, etc.
- In 2015-16 co-funded the ongoing roll-out of a number of innovative way-showing signs to improve orientation, navigation and journey planning for visitors to the city.
- Spearheading the successful bid to achieve Purple Flag Award status.
- Significant funding for Visit Aberdeen to promote Aberdeen as a visitor destination.

In January 2014 Aberdeen Inspired commissioned the Aberdeen & Grampian Chamber of Commerce (AGCC) Research Unit to conduct an independent evaluation of its activities. The findings of this evaluation reflect analysis of a survey delivered by AGCC with city centre businesses and found:

- Strong awareness of the Aberdeen Inspired brand (79%) which increased since 2013 (63%)
- When asked about a re-ballot 73% would vote for the Business Improvement District (BID) to continue
- Unprompted high awareness of the Big Belly Bins campaign that translated into businesses reporting this project as having had a positive impact on the city centre.
- Scope for Aberdeen Inspired to significantly increase awareness of its activities, projects, themes and impacts was also identified

### ***Looking forward to a next five year term***

In February 2015 Aberdeen Inspired created a renewal consultation process with levy payers. This helped identify the issues that levy payers would like addressed and has helped Aberdeen Inspired produce a detailed project plan for 2016-17 and for later years. The four priority themes of Aberdeen Inspired are: -

- i. Attractive City Centre: Making the Silver City sparkle with a range of aesthetic projects, including a focus on Union Street and its visual appeal
- ii. Promoting Our City Centre: Through exciting and engaging events, cultural activity and positive promotion of Aberdeen
- iii. Safe and Welcoming City Centre: Continuing efforts to enhance the visitor experience and building on the city's growing reputation as a safe and welcoming place to be with projects ranging from seagull control to hotel and retail focused initiatives
- iv. Helping Your Business: Providing a unified voice on behalf of levy payers, lobbying Aberdeen City Council and other relevant bodies as well as providing data and analysis designed to enhance business planning.

## 6. IMPACT

### **Improving Customer Experience –**

The renewal of the BID will help ensure all stakeholders and partners continue to work closely with the private sector to secure the long-term economic wellbeing and prosperity of Aberdeen.

### **Improving Staff Experience –**

The BID renewal will help ensure collaboration and leadership, across the Council's services, and collaborating across the government, other public and private sectors, to support delivery of the Council's priorities, as well as those of Aberdeen Inspired.

### **Improving our use of Resources –**

The BID renewal and subsequent governance arrangements will help ensure the most effective and efficient use of resources that align to the overall economic priorities of the Council.

### **Corporate -**

The Council's role on Aberdeen Inspired's Board of Directors to support delivery will ensure it maintains its key leadership role in the long term economic growth of the city.

### **Public – N/A**

## 8. BACKGROUND PAPERS

Aberdeen Inspired Business Plan 2016-21

[http://aberdeeninspired.com/wp-content/uploads/2016/01/AbdnReInspired\\_BusinessPlan.pdf](http://aberdeeninspired.com/wp-content/uploads/2016/01/AbdnReInspired_BusinessPlan.pdf)

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