

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	21 June 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Ballot on Aberdeen City Centre Business Improvement District (BID) Proposals 2021-2026
REPORT NUMBER	COM/21/141
DIRECTOR	Commissioning
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Amye Ferguson
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 To provide the Council with a summary update on the activities and achievements of the Aberdeen Inspired Business Improvement District (BID) over the last five years and to seek a decision from the Council on how it will vote in the BID ballot which closes on 24 June 2021.

2. RECOMMENDATIONS

That Council:-

- 2.1 Notes the achievements and progress of the Aberdeen Inspired Aberdeen City Centre Business Improvement District during its 2016-2021 term;
- 2.2 Notes the proposed BID objectives for the next five years and the complementary work of Aberdeen Inspired in relation to the City Centre Masterplan Review to support local economic recovery; and
- 2.3 Resolves to vote in favour of the Aberdeen City Centre BID Proposals 2021-2026 and instructs the Chief Officer – City Growth to vote accordingly (or arrange for or instruct such voting) on behalf of the Council.

3. BACKGROUND

- 3.1 A Business Improvement District (BID) is a defined area in which a levy is charged on eligible non-domestic rate (NDR) payers. This levy is then used to develop and implement projects that the local authority is not required to provide, and which are considered to be beneficial to the business community as well as the trading environment and, more generally, those who live, work or carry on any activity in the designated area. As was the case with the 2016-2021 BID, the proposed 2021-2026 BID would be managed by the Aberdeen

BID Company Ltd (known as Aberdeen Inspired), which is independent from the Council.

- 3.2 The proposed BID area covers the heart of the city centre and is comprised of a mix of retail, hospitality/leisure and offices. The first Aberdeen City Centre BID commenced in 2011 following a successful ballot and was renewed in 2016 for another five-year term which ended on 31 March 2021. Aberdeen Inspired is governed by a Board of Directors who are voluntary and unpaid, and they are responsible for overseeing projects and governing spend.
- 3.3 A report was presented to the Council's Urgent Business Committee (UBC) in January 2021 recommending that the BID renewal proposals not be vetoed by the Council and that a BID *renewal* ballot be held on 25 March 2021 (Appendix 1 UBC Minutes Extract 12 January 2021). However, as Aberdeen Inspired subsequently requested that a ballot be held instead on 24 June 2021, the renewal ballot did not take place and the BID ended on 31 March 2021.
- 3.4 A report was taken back to UBC in April, whereby Committee agreed not to veto the new BID proposals and to instruct the Chief Officer-Governance as Returning Officer to arrange for the holding of a ballot (Appendix 2 UBC Minutes Extract 12 April 2021).
- 3.5 The BID ballot will take place through a confidential postal vote. Ballot papers were sent out 12 May. The ballot will close at 5pm on 24 June and ballot papers must be received by then to be counted.
- 3.6 For the ballot to be successful, there must be a minimum turnout of 25% by number of persons entitled to vote in the ballot and by combined rateable value; and of those who vote, over 50% by number of votes and by combined rateable value must be in favour of the BID. The Council has 18 properties in the proposed BID area out of a total of 796 which represents 2.26% of the eligible (to vote) properties. The Council therefore has 18 votes. The Council represents approximately 0.16% of the total number of eligible voters and 6.48% of the combined rateable value.
- 3.7 The count will take place on 25 June, with the results expected within a week. The ballot paper is completed by placing a cross in either the 'YES' or 'NO' box (in response to the single question of whether the voting party is in favour of the BID proposals) and signing the ballot paper.
- 3.8 The levy charge will be 0.5% of the rateable value in the first calendar year (1 July 2021 to 30 June 2022) and 1% thereafter for the remaining four-year term and will not change unless to reflect any variations as a result of the revaluation of properties due to take place in 2023. Upon a successful ballot the BID would run from 1 July 2021 to 30 June 2026.
- 3.9 The BID levy was agreed by Aberdeen Inspired's Board of Directors to be an equitable and fair way of funding additional projects and services, which the Council is not required to provide. The threshold of non-domestic rateable value for the levy charge is £27,500, therefore many small businesses will not be

required to pay a levy charge and would benefit from any improvements and projects. There are 796 properties within the proposed BID area and, if the vote was in favour, the levy could generate £980,000 per annum for BID projects.

- 3.10 The Council issues the invoices and collects the levy on behalf of Aberdeen Inspired, with monies held in a BID account. Monies can only be drawn down by the Aberdeen Inspired Board of Directors. If a property is empty then non-domestic rates rules apply, whereby there is 10% relief for properties unless it is a listed building which is awarded 50% relief.
- 3.11 Aberdeen Inspired has undertaken a consultation process to inform the BID Business Plan 2021-2026 (Appendix 3) which was overseen by a Steering Group made up from a cross-section of the business community in the proposed BID area as well as the Council's Director of Resources who can offer advice on matters relating to the Council. Under that process, the business community identified:
- Common problems resulting from lockdowns during Covid-19 pandemic and working from home meaning reduced footfall in the city centre
 - A desire to see Aberdeen prosper and bring the city centre through this transitional period as a result of the effect of Covid-19
 - A belief that Aberdeen Inspired can play a key role in this transition
- 3.12 The consultation process, and ballot campaign, has involved hard copy surveys, public meetings and events, letters, telephone calls, newsletters, e-newsletters, emails, coverage in local newspapers, website, social media and one to one consultations. As a result of the implications from lockdown and Covid-19, the process has inevitably been restricted.

4. Aberdeen Inspired

- 4.1 During the last five-year term the Aberdeen Inspired BID has seen several benefits and successes brought to the city centre and business community:
- Since 2016 an additional £7m has been leveraged and invested into BID projects (pages 6 & 20 of Appendix 3);
 - Aberdeen Inspired was awarded European BID of the year in 2017/18;
 - Purple Flag accreditation for seven consecutive years for safety and security during the city's evening and night-time economy;
 - Work with partners to drive footfall in the city centre through a range of city events such as Nuart Festival, Aberdeen Comedy Festival and the Christmas Village;
 - Installation of San Francisco style parklets on Huntly Street and outside St James' Episcopal Church on Holburn Junction in 2020;
 - Painted Doors Aberdeen which has transformed abandoned doorways on Langstane Place, Windmill Brae, Merchant Quarter and Correction Wynd into works of art making city streets more interesting and vibrant;
 - Aberdeen Restaurant Week which was introduced in 2018 and runs twice a year; those who participated saw a 25% increase in takings on average;

- Introduction of the Aberdeen Gift Card in 2020 to support local economy recovery which generated £140,000 in the first two months;
- An Advisory Panel on Night-Time Economy which has looked at how to continue the 'Alive after Five' principles following the trial in 2018 to promote the evening offering and lengthen the day to the consumer as well as Inspired Nights Festival;
- Promotion of local businesses and productions through positive PR and social media;
- Working with partners has helped with the removal of fly-tipping and graffiti, addressed vandalism and other anti-social behaviour which is monitored through the City Centre Partnership and ensuring that when issues are flagged by businesses they can be directed to the appropriate organisation; and
- Inspired Nights which saw a food market at The Green which brought together local traders to offer a wide range of food and drink which has helped drive footfall and dwell times.

4.2 For the next five years, the BID Business Plan 2021-2026 outlines the four key themes going forward:

- i. Safe & Welcoming City - continued leadership and collaboration to create a safe and welcoming city centre through continued delivery of the Purple Flag;
- ii. Promoting our City Centre - deliver world class events and create compelling reasons for people to visit, encouraging greater spend in the city centre as well as creative city centre promotion to showcase local business products as well as a city centre which is open for business;
- iii. Attractive City - on-going agile city centre management for day, evening and night-time economy; and
- iv. Helping Your Business - to be the collective voice for the business community (in the city centre) and lobby for positive changes and innovation such as better connectivity, business support and city centre revitalisation. Business Support includes the invitation to Business Gateway to participate in any business networking events organised by Aberdeen Inspired as well as collective bargaining to utilities.

4.3 Each of the above priority themes aims to help the effort to boost footfall in the BID area, increase dwell times and to help local economic recovery through local spending. As a result of Covid-19 effects, the immediate focus of the new BID will be to help the recovery and reinvention of the city centre and have a flexible approach in doing this in order to respond to the changing environment and trends. Short-term priorities include:

- Business recovery such as regular business network meetings to provide specific support for business recovery as well as business resilience advice. More specifically this involves a business network programme, the Night-Time Economy Advisory Panel who meet on a regular basis as well as sub groups on local or geographic issues to allow businesses the opportunity to go above and beyond normal day business issues;
- Day to day support to businesses;

- Guidance and advice on civic matters;
- Supporting the reinvention of businesses to cope with challenges and changes in trends. Examples include marketing and commercialisation of businesses as well as linking in and working with other external bodies such as Business Gateway, Federation of Small Businesses (FSB), Skills Development Scotland (SDS), Aberdeen Grampian Chamber of Commerce (AGCC), North East Hotels Association as well as Aberdeen City & Shire Hospitality Together;
- Direct marketing of businesses and promotional offers;
- Promote products of levy payers;
- Continue to deliver events and positively promote the city;
- Attend business network meetings for business recovery;
- Build on footfall data through enhanced analysis and systems;
- Help drive delivery of the City Centre Masterplan (CCMP);
- Enhance city centre aesthetics and renewed focus on deep cleaning beyond the Council's baseline services.

4.4 The BID levy is estimated to be £980,000 per annum, or £4.4 million over the five-year term, and Aberdeen Inspired is looking to attract additional funding of £3 million from voluntary levies or contributions, sponsorship and national funding streams. This is then broken down to £6,450,500 for theme project spend, £608,500 for staff costs and £351,000 for operating costs (page 22 of Appendix 3 provides a full financial breakdown).

4.5 Should the ballot be successful, the Business Plan objectives proposed by Aberdeen Inspired go beyond required services provided by the Council and Aberdeen Inspired will work to support the business community through this challenging period. Additionally, Aberdeen Inspired have experience of working with the Council to help drive the City Centre Masterplan (CCMP). The Leader of the Council sits on Aberdeen Inspired's Board of Directors and the Director of Resources attends as an observer therefore the Council can provide feedback into any potential BID projects. Aberdeen Inspired can potentially support the CCMP Review actions ([RES/21/115](#)) approved by the City Growth & Resources Committee on 11 May 2021 through the following:

- Share relevant data (with any necessary agreements in place) with the Council to better understand how people and visitors can be attracted back into the city centre. This data can be used alongside any public engagement work relating to the CCMP Review and how people would be attracted back to the city as well as how travel patterns have changed;
- As a collective voice for the city centre business community, Aberdeen Inspired can work with the Council to ensure businesses are involved in engagement activities to inform any potential solutions or projects;
- Direct promotion and marketing of products and services of businesses in the BID community, encouraging people into the city and local spending. Aberdeen Inspired have a Facebook reach of over 15,000, LinkedIn 4,000 and Instagram and Twitter 7,500 and 9,700 respectively;
- Data is gathered by Council officers on city centre vacancies which is shared with Aberdeen Inspired and this data can be used to help inform 'Meanwhile Uses' - a recent example of this was during Christmas Market

2020 where vacant units in Bon Accord Centre were used to support local traders whilst also allowing social distancing;

- Aberdeen Inspired's business networking, understanding of changing trends in the High Street as well as how businesses can reinvent can be used to ensure under-utilised spaces are used to the benefit of the city;
- Aberdeen Inspired help to make the city centre more attractive and inviting by floral displays, green space, deep cleans as well as removal of fly tipping, graffiti and vandalism; and
- Aberdeen Inspired provides, or works in partnership to run, events and Festivals in the city centre to encourage footfall, dwell times and spend in the local economy.

4.6 It should be noted that, if the ballot is unsuccessful, Nuart could still be delivered for 2021 and supported by Aberdeen Inspired resources. However, for future years this would not be the case as Aberdeen Inspired as a company would in due course cease to exist. Other contracts by Aberdeen Inspired have not been renewed until the outcome of the ballot is known.

4.7 The Council and Aberdeen Inspired have worked collaboratively on the delivery Aberdeen Christmas Village over the past five-year term and Aberdeen Inspired have financially contributed to the Aberdeen Christmas Village 2021. Aberdeen Inspired have assisted with the marketing of the Aberdeen Christmas Village as well as the project management.

5. FINANCIAL IMPLICATIONS

5.1 If the ballot is successful, this will require the Council to once again meet the cost of an additional levy on its non-domestic properties in the BID area based on the rateable value of those properties. The Council currently has 18 properties within the BID area, and the total levy on the Council is estimated to be £35,870 for the first year then £71,740 per annum for the remaining four years. Funding for the BID levy was included in the Council's budget setting process in March 2021 and therefore the Council has sufficient budget available to meet this cost.

5.2 In addition, the Council and Aberdeen Inspired have agreements in place to deliver and support a range of outcomes within the City Centre, which include:

- £67,000 salary costs for City Centre Manager and part funding of the Nighttime Economy Manager, these posts will help to facilitate and strategically plan the business recovery in response to the global pandemic;
- £125,000 for Nuart 2021
- Aberdeen Inspired are leading on two projects within the Town Centre Fund - the San Francisco style parklets (which has been delivered) and Suspended Signage (due to be delivered by end of September 2021), which were approved by the City Growth & Resources Committee on 6 June 2019, [PL/19/290](#). If the ballot is unsuccessful these two projects would still be honoured given they are legally committed projects.

5.3 These projects and initiatives are included in the Council's budget for 2021/2022. If the BID does not get approved, then Aberdeen Inspired as a company would in due course cease to exist and there would not be an Aberdeen BID. There are contingency plans in place by Aberdeen Inspired should the ballot be unsuccessful and there would be a period of formal closing-down of the company.

6. LEGAL IMPLICATIONS

6.1 BID ballot procedures are governed by the Planning etc. (Scotland) Act 2006 and the Business Improvement Districts (Scotland) Regulations 2007. For the Council's vote to be valid, the Council's ballot papers must be returned by 5pm on 24 June 2021.

7. 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	The Council does not vote timeously.	M	Council to approve the recommendation to vote in favour of the BID, in order for the ballot papers to be submitted in time to be received by 5pm on 24 June 2021.
Operational	As a result of Covid and the urgent need for city centre recovery and reinvention there could be duplication of work by the Council and Aberdeen Inspired.	L	Aberdeen Inspired exists to provide support to the business community which is not already provided for by the Council. Aberdeen Inspired will be encouraged to work together closely with the Council to ensure efforts are complementary to each other.
Financial	No or insufficient budget to cover the levy cost to the Council.	L	The BID levy cost was accounted for in the annual budget setting process.
Reputational	To not vote for the BID could cause reputational risk to the Council by	L	Approve recommendation to vote in favour of the BID.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
	creating a perception that it has failed to support an initiative for the city centre business community.		
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.

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The BID will directly support 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 would be a key partner in delivery of some of the activities within Aberdeen 365 Events Plan and will 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 and CCMP. The BID would be an important element of 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 [CHI/16/047](#)
- 10.2 [COM/21/022](#)
- 10.3 [COM/21/095](#)

11. APPENDICES

- 11.1 Appendix 1 UBC Minutes Extract 12 January 2021
- 11.2 Appendix 2 UBC Minutes Extract 12 April 2021
- 11.3 Appendix 3 Aberdeen Inspired BID Business Plan 2021-2026

12. REPORT AUTHOR CONTACT DETAILS

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