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**BID4OBAN – APPROVAL OF BUSINESS PLAN - SECOND BALLOT**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to bring the council up to date with the status of the Oban Business Improvement District (BID4Oban) 2017 Term Two, 31 October 2017 – 30 October 2022 ballot process and approve a financial contribution to BID4Oban over the next five years providing the ballot is successful.
- 1.2 A Business Plan prepared by BID4Oban informs the Council and other levy payers with regard to the merits of continuing the Bid4Oban initiative which has been in operation for the last five years. The principal aim of the BID is to deliver projects and services that will improve the trading environment of the BID area to benefit businesses, their customers and visitors working in the town of Oban. The business plan sets out the main objectives, benefits and outcomes of the BID4Oban board that have been delivered over the last five years of operation. The plan then details the area covered by the bid the levy rates and who will pay and collect the levy rates. Following this the plan sets out the BID ballot process what objectives will be taken forward over the next five years of operation subject to a successful ballot and the likely expenditure based on the finance available through the levy and other sources of external funding. Finally, the plan sets out the Governance of the BID and how it will be managed and monitored in terms of performance.
- 1.3 The BID4OBAN Business Plan is attached at Appendix 1. The Business Plan represents the Oban Business community's proposals for the most effective utilisation of the BIDs levy, taking account of the last five years of activity, to support the continued revitalisation of Oban. Officers from within the Development and Infrastructure, Customer Services and Strategic Finance have supported the development of the Business Plan in terms of the provision of information and advice. It is proposed that the financial contribution of BID4Oban will be £20k each year for the next five years and consist of three separate elements of funding as detailed in the recommendations of the report.
- 1.4 Due to a delay in receiving the necessary information to allow a decision to be taken on supporting Term 2 of the Bid, the Chief Executive of the Council had to implement his emergency powers.

**2.0 RECOMMENDATIONS**

- 2.1.1 That the Council agrees to:
- 2.1.2 Note the instruction given by the Chief Executive, in consultation with the Leader of the Council to not to exercise the council's veto and to enable the council's Returning

Officer to conduct the ballot, and:

- 2.1.3 Approve the Executive Director of Development and Infrastructure with delegated authority to cast the votes on behalf of the council in favor of continuing the BID, and;
- 2.1.4 That, subject to a successful ballot, over the five year duration of the Business Plan, the council through delegated authority to the Executive Director of Development and Infrastructure will:
- 2.1.5 Provide a contribution of £20k per annum for the next 5 financial years consisting of a direct contribution of £13,450 per annum to the BID4Oban, and;
- 2.1.6 That, £6,500 (excluding VAT) per annum with charges increased annually by CPI based on the increase over the last 12 months from the base in July 2017 will be taken from the direct contribution via an invoice to BID4Oban. The first increase will apply on 31 October 2018, and annually thereafter for the next 5 years of additional financial support to finance the cost of administering the annual levy collection. , and:
- 2.1.7 To provide £6,550 per annum for the next five years in terms of the Council's contribution (based on property holdings) to the annual levy of £145k.

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**2.0 INTRODUCTION**

- 2.1 The purpose of this report is to bring the council up to date with the status of the Oban Business Improvement District (BID4Oban) final Business Plan, Term Two, 31 October 2017 – 30 October 2022 for consideration and approval of a financial contribution to BID4Oban to the operation of the BID over the next five years providing the ballot is successful.
- 2.2 BID4OBAN have prepared a Business Plan and are seeking a further financial contribution to the operation of the BID, the collection of the levy and to the levy itself as the council is owner of a number of buildings within the BID red line area which is identified in the Business Plan attached at Appendix 1.

**3.0 RECOMMENDATIONS**

- 3.1.1 That the Council agrees to;
- 3.1.2 Note the instruction given by the Chief Executive, in consultation with the Leader of the Council to not to exercise the council's veto and to enable the council's Returning Officer to conduct the ballot, and:
- 3.1.3 Approve the Executive Director of Development and Infrastructure with delegated authority to cast the votes on behalf of the council in favor of continuing the BID, and;
- 3.1.4 That, subject to a successful ballot, over the five year duration of the Business Plan, the council through delegated authority to the Executive Director of Development and Infrastructure will;
- 3.1.5 Provide a financial contribution of £20k per annum for the next 5 financial years consisting of a direct contribution of £13,950 per annum for the next five years to the BID4Oban, and;
- 3.1.6 That, £6,500 (excluding VAT) per annum with charges increased annually by CPI based on the increase over the last 12 months from the base in July 2017 will be taken from the direct contribution via an invoice to BID4Oban. The first increase will apply on 31 October 2018, and annually thereafter for the next 5 years of additional financial support to finance the cost of administering the annual levy collection, and:
- 3.1.7 To provide £6,550 per annum for the next five years in terms of the Council's contribution (based on property holdings) to the annual levy of £145k.

## **4.0 DETAIL**

### **4.1 BID4OBAN Business Plan**

4.2 The BID4OBAN (BID) has successfully completed its first five years of operation with a number of key objectives delivered for the benefit of the town of Oban. The Business Plan informs the Council and other levy payers with regard to the merits of continuing the BID4Oban initiative which has been in operation for the last five years. The principle aim of the BID is to deliver projects and services that will improve the trading environment of the BID area to benefit businesses operating in the town of Oban, their customers and the many visitors to the town. The Business Plan (plan) sets out the main objectives, benefits and outcomes of the BID board that have been delivered over the last five years of operation. The plan then details the area covered by the bid the levy rates and who will pay and collect the levy rates. Following this the plan sets out the BID ballot process which will open for a 42 day period from the 24<sup>th</sup> of August 2017 until the ballot day on the 5<sup>th</sup> of October 2017 with the ballot papers being counted on Friday 6<sup>th</sup> of October. The Plan details the objectives that will be taken forward over the next five years of operation subject to a successful ballot and the likely expenditure based on the finance available through the levy and other sources of external funding. Finally, the plan sets out the Governance of the BID and how it will be managed and monitored in terms of performance.

4.3 Oban has continued to grow over the last five years despite a challenging national economy triggered by the banking crisis and considerable political uncertainty over recent years. During this time the BID has worked on a series of initiatives and projects to improve the town under the Objectives of:-

- Our Environment
- Let's shout about Oban
- Working Together
- Marketing Locally

4.4 The BID has attracted external funding to the town and worked with a number of different partners across the private and public sectors, including the council, to implement a series of improvements to the town centre. This includes the recently completed CHORD public realm works and most recently the Transit Berthing Facility and North Pier maritime Reception Centre. The success of the BID and positive feedback from consultation from levy payers undertaken this year has enabled the BID Board to recommend undertaking a second ballot to allow this work to continue through the payment of the levy system and allow the town to continue to prosper and take full advantage of a growing tourism market and population.

4.5 For the BID to continue the ballot has to demonstrate a minimum 25% turnout and of those that vote that over 50% by number and 50% by combined rateable value must vote in favor of the bid. It is intended that the results of the ballot will be counted on the 6<sup>th</sup> October and the results published within one week of this date. If successful, the Term Two BID will commence again on 31st October 2017 and will run for a period of five years until the 30<sup>th</sup> October 2022. Due to a delay in receiving the necessary information, to enable the ballot to proceed the CEO utilised his emergency powers not to veto the BID and allow the Council's Returning Officer to undertake the ballot. Approval is sought for the Executive Director of Development and Infrastructure with delegated authority to cast the votes on behalf of the council in

favor of continuing the BID.

#### 4.6 Council Commitment and Finances

4.7 The Council has committed Officer and local elected Member time to the BID over the last five years. In addition £24.5 k per annum has been contributed through a financial grant, costs associated with collecting the levy and the contribution to the levy itself. The council has an established revenue budget to cover this expenditure. The council has also prepared a baseline services agreement as part of the BID process. It is proposed that this level be reduced to £20k for the next five year period with levels adjusted to reflect changes to collection costs and levy payments. It is anticipated that the total income to the BID over the next five years will be £727k not including the council contribution with this money being spent on BID objectives and running costs as identified above in paragraph 4.3 and in more detail in the Business Plan.

#### 5.0 CONCLUSION

5.1 BID4OBAN has been highly successful over the last five years of operation with a significant number of initiatives and projects carried out that are in addition to statutory and non-statutory council services. The BID Board following consultation with levy payers has decided to ballot for a second term of five years and have prepared a new Business Plan that identifies their objectives for the next five years. If successful this will allow the work to continue in relation to the improvement and promotion of Oban adding to the work undertaken by the council and a range of other partners drawn from across the sectors. This report recommends that the Council notes the emergency powers utilised by the CEO not to veto the ballot and to enable the ballot to be conducted through the council's Returning Officer, and approve delegated authority to the Exe. Director of Development and Infrastructure to cast the council's vote in favor of the continuation of the BID together with the implementation of the Business Plan attached as Appendix 1. In addition, it is further recommended that the council continues to support the OBAN4BID with a financial contribution of £100k over the next five years that will assist the BID with running costs, the collection of the levy and also the contribution to the levy general fund as detailed in paragraph 4.3.

#### 6.0 IMPLICATIONS

6.1 Policy	Supports the delivery of the SOA and EDAP.
6.2 Financial	Commits the council to continue support for Oban Bids for five years at £20k per annum
6.3 Legal	None.
6.4 HR	Staff currently involved supporting OBAN4BID will continue to serve on Board
6.5 Equalities	None.
6.6 Risk	None

6.7 Customer Service          None.

**Executive Director of Development & Infrastructure Pippa Milne**  
**Policy Lead Councillor Aileen Morton**

13<sup>th</sup> June 2017

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