

**Dunoon Business Improvement District (PA23 BID Ltd t/a Dunoon Presents) –
APPROVAL OF BUSINESS PLAN – AND RE-BALLOT FOR 2ND TERM**

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to endorse the re-ballot, approve the business plan and approve a financial contribution of £20,140 per annum for the Dunoon Business Improvement District (PA23 BID Ltd t/a Dunoon Presents) Term Two 2018-2023. The re-ballot is due to take place over 42 days in 2018 from Thursday 18 January to Thursday 1 March ('the ballot day'). It will be a postal ballot and votes must be received by 5pm on the ballot day to be considered valid and included in the count. The financial contribution which is being sought is £20,140 per annum for PA23 BID Ltd t/a Dunoon Presents over the next five years providing the ballot is successful.
- 1.2 In the second term, the BID Zone intends to remain the same geographically and constitutes the area outlined within the business plan attached at Appendix 1.
- 1.3 A Business Plan prepared by PA23 BID Ltd t/a Dunoon Presents informs the Council and other levy payers with regard to the merits of continuing the Dunoon BID initiative which has been in operation for the last five years. The principle aim of the BID is to deliver projects and events that will improve the trading environment of the BID area to benefit businesses, their customers and visitors. The business plan sets out the main objectives, benefits and outcomes of the Dunoon BID 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.
- 1.4 The PA23 BID Ltd t/a Dunoon Presents Business Plan is attached at

Appendix 1. The Business Plan represents the Dunoon 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 Dunoon. Officers from 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 PA23 BID Ltd t/a Dunoon Presents will be £20,140 each year for the next five years inclusive of levy collection charges and levy contribution.

2.0 RECOMMENDATIONS

- 2.1 That the Council agrees not to veto the ballot request , to approve the Dunoon BID Business Plan and to instruct the Returning Officer to conduct a renewal ballot over 42 days in 2018 from Thursday 18 January to Thursday 1 March ('the ballot day').
- 2.2 Authorise the Executive Director of Development and Infrastructure to cast the votes on behalf of the council in favour of continuing the BID, and;
- 2.3 That, subject to a successful ballot, over the five year duration of the Business Plan, the council through delegated authority to the Director of Development and Infrastructure will:
- 2.4 Provide a contribution of £20,140 per annum for the next 5 financial years to the PA23 BID Ltd t/a Dunoon Presents, representing a supplementary allocation of £100,700.
- 2.5 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 PA23 BID Ltd t/a Dunoon Presents. The first increase will apply on 01 March 2018, and annually thereafter for the next 5 years of additional financial support to finance the cost of administering the annual levy collection, and:
- 2.6 That £13,640 per annum for the next five years in terms of the Council's contribution (based on property holdings) to the annual levy of £140k form part of the £20,140 per annum contribution.

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3.0 INTRODUCTION

- 3.1 The purpose of this report is to endorse the re-ballot, approve the business plan and approve a financial contribution of £100,700 from the Council for the Dunoon Business Improvement District (PA23 BID Ltd t/a Dunoon Presents) 2017 Term Two. The re-ballot is due to take place over 42 days in 2018 from Thursday 18 January to Thursday 1 March ('the ballot day'). It will be a postal ballot and votes must be received by 5pm on the ballot day to count. The financial contribution which is being sought is £20,140 per annum for PA23 BID Ltd t/a Dunoon Presents over the next five years providing the ballot is successful.

In the second term, the BID Zone intends to remain the same geographically and constitutes the area outlined within the business plan attached at Appendix 1.

- 3.2 PA23 BID Ltd t/a Dunoon Presents 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. Within the plan the Dunoon BID Board have asked Argyll & Bute Council to consider an Added Voluntary Contribution of 15k per annum over and above any other costs such as those outlined above. The reason for this ask is that Dunoon remains one of the most economically fragile areas within Argyll and Bute and the BID Board would welcome this additional support from the Council as an indication of their ongoing commitment to economic recovery.

4.0 RECOMMENDATIONS

- 4.1 That the Council agrees not to veto the ballot request, to approve the Dunoon BID Business Plan and to instruct the Returning Officer to conduct a renewal ballot over 42 days in 2018 from Thursday 18 January to Thursday 1 March ('the ballot day').
- 4.2 Authorise the Executive Director of Development and Infrastructure to cast the votes on behalf of the council in favour of continuing the BID.
- 4.3 That, subject to a successful ballot, over the five year duration of the Business

Plan, the council through delegated authority to the Director of Development and Infrastructure will;

- 4.4 Provide a financial contribution of £20,140 per annum for the next 5 financial years.
- 4.5 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 PA23 BID Ltd t/a Dunoon Presents . The first increase will apply on 01 March 2018, and annually thereafter for the next 5 years of additional financial support to finance the cost of administering the annual levy collection, and:
- 4.6 That £13,640 per annum for the next five years in terms of the Council's contribution (based on property holdings) to the annual levy of £140,000 form part of the £20,140 per annum contribution.

5.0 DETAIL

5.1 PA23 BID Ltd t/a Dunoon Presents Business Plan

- 5.2 The PA23 BID Ltd t/a Dunoon Presents (BID) has successfully completed its first five years of operation with a number of key objectives delivered for the benefit of the town of Dunoon. The Business Plan informs the Council and other levy payers with regard to the merits of continuing the Dunoon BID initiative. The principle aim of the BID is to deliver projects and events that will improve the trading environment of the BID area to benefit businesses operating in the town of Dunoon, their customers and the many visitors to the town. The Business Plan (appendix 1) 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.
- 5.3 Following this the plan sets out the BID ballot process which will open for a 42 day period from the 15th January 2018 until the ballot day on the 1st March 2018 with the ballot papers being counted on Friday 2nd of March. 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. Within the plan the Dunoon BID Board have asked Argyll & Bute Council to consider an Added Voluntary Contribution of 15k per annum over and above any other costs such as the levy collection cost and the levy payments for properties within the BID zone. The reason for this ask is that Dunoon remains one of the most economically fragile areas within Argyll and Bute and the BID Board would welcome this additional support from the Council as part of their ongoing economic development activities in the area.. Finally, the plan sets out the Governance of the BID and how it will be managed and monitored in terms of performance.

- 5.4 Dunoon and wider Cowal still continues to suffer from an economy that has contracted and also has a diminishing and ageing population. Continuation of the Dunoon BID has the potential to proactively contribute to addressing some of these issues making use of resources raised by local businesses. The BID in the first term has primarily been an events based programme of activity seeking to draw on a new and so far largely untapped (for Dunoon) market through a combination of Community, Sporting and Music/Cultural events.
- 5.5 It has been recognised that there have been challenges during the first term of Dunoon Presents. The business base has identified the need for more events which will drive greater footfall into the town and the Board fully recognise this. As a result the second term business strategy will seek to add on more cultural and musical events with just that aim.
- 5.6 That said Dunoon Presents delivered tangible economic returns for the town in its first 5 years of operation and these are quantified in direct local economic benefit as being just under £1m to date. Detailed economic impact estimates indicate that the town's economy will benefit to the sum of some £3.7m from a second term, 2018-2023.
- 5.7 **PA23 BID Process**
- 5.8 The BID has worked with a number of different partners across the private and public sectors, including the council, to implement a series of sporting and cultural events such as national mountain-biking events, Enduro and cross country challenges. The success of the BID and positive feedback from consultation with 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 reputation.
- 5.9 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 favour of the bid. It is intended that the results of the ballot will be counted on the 2nd of March and the results published within one week of this date. If successful, the Term Two BID will commence again on 9th March 2018 and will run for a period of five years until the 1st March 2023.
- 5.10 **Council Commitment and Finances**
- 5.11 The Council has committed Officer and local elected Member time to the BID over the last five years. In addition £15k per annum has been contributed through a financial grant funded through CHORD, costs associated with collecting the levy and the contribution to the levy itself. The Council will also assist the Dunoon BID with sourcing external funding opportunities and will offer representation on the BID Board. The council has also prepared a baseline services agreement as part of the BID process. It is proposed that

this level be £20,140 for the next five year period inclusive of collection costs and levy payments. Local CHORD funding is fully committed and if funding is approved a supplementary allocation will need to be made in the revenue account as it is not possible to accommodate this within existing budgets. It is anticipated that the total income to the BID over the next five years will be £140,000 per annum including the council contribution with this money being spent on BID objectives and running costs as identified above in paragraph 4.2 and in more detail in the Business Plan. If the BID is not successful the income to the town, including the council contribution, will not be forthcoming.

6.0 CONCLUSION

6.1 The Dunoon BID has been successful over the last five years of operation with a significant number of events 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 Dunoon 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 cast its votes in favour of the continuation of the BID, to endorse the re-ballot and approve the implementation of the Business Plan attached as Appendix 1 and further recommends that the council continues to support the PA23 BID Ltd t/a Dunoon Presents with a financial contribution of £100,700 over the next five years that will assist the BID with running costs, inclusive of the collection of the levy and the contribution to the levy general fund as detailed in paragraph 3.1.

7.0 IMPLICATIONS

7.1 Policy	Supports the delivery of the SOA and EDAP.
7.2 Financial	Commits the council to continue support for the Dunoon BID for five years at £20k per annum
7.3 Legal	Facilitation of ballot
7.4 HR	Staff are currently supporting the Dunoon BID with ongoing funding applications
7.5 Equalities	None.
7.6 Risk	None
7.7 Customer Service	None.

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APPENDIX 1: PA23 BID Ltd t/a Dunoon Presents Business Plan