

**BID4OBAN - APPROVAL OF BALLOT SUBMISSION AND DRAFT BUSINESS
PROPOSAL - THIRD BALLOT**

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to ask Members to endorse the Oban Business Improvement District (BID4Oban) ballot submission and to note the Draft Business Proposal, Term Three, in support of the ballot. The proposed ballot is due to take place on Thursday 6th October 2022 (the ballot day). This 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.
- 1.2 The principle aim of the BID is to deliver projects and events to improve the trading environment for businesses, their customers and visitors. The draft business proposal informs levy payers on specific contributions required and outlines the proposed objectives, benefits and outcomes of a BID over a 5-year period. The draft business proposal also sets out how levy contributions will be used and details the assumed return from this investment.
- 1.3 If approved, the ballot will take place over 42 days, from Thursday 25th August to Thursday 6th October ('the ballot day') in 2022. If successful the levy could potentially raise £168,362 a year to be spent on Oban, and over 5 years this could be in excess of £841,810. BID4Oban have therefore proposed how these levy payments could be invested to further grow the economy of Oban, based on the success of the previous two terms of the BID4Oban delivery.
- 1.4 Through the provision of information and advice, Officers from Development and Economic Growth, Legal and Governance, Customer Services and Strategic Finance have supported BID4Oban in their development of this BID ballot submission. The BID4Oban Draft Business Proposal, Term Three, is attached at Appendix One. The draft business proposal represents the Oban Business Community's proposals for the most effective utilisation of the BID's levy, to support the continued development of Oban.

RECOMMENDATIONS

That the Council agrees:-

- a. To note the ballot request and the BID4Oban Draft Business Proposal, Term Three.

- b. To agree to delegate approval of the ballot request and final proposal to preserve the veto date of 28th July 2022, to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader, Depute Leader and Leader of the largest Opposition Group.
- c. To agree to instruct the Returning Officer to conduct a ballot over 42 days in 2022 from Thursday 25th August to Thursday 6th October ('the ballot day').
- d. To authorise the Executive Director with the responsibility for Development and Economic Growth to cast the votes on behalf of the council in favour of the BID.
- e. To agree that the Council will charge £7,956 (incl VAT) per annum, to BID4Oban for administering the levy charge to businesses in Oban, with charges thereafter increased annually. The first increase will apply on 31st October 2023 and annually thereafter for the subsequent term of the BID.
- f. To agree that, if BID4Oban are successful in the ballot, the Council will pay an estimated £6,120 per annum in levy contributions for Council properties in Oban.
- g. To note that if the BID group are successful in the ballot, two representatives from the Council would be requested to sit on the BID4Oban Board, one Elected Member and one Officer.

**BID4OBAN - APPROVAL OF BALLOT SUBMISSION AND DRAFT BUSINESS
PLAN - THIRD BALLOT**

2.0 INTRODUCTION

- 2.1 The purpose of this report is to ask Members to endorse the Oban Business Improvement District (BID4Oban) ballot submission and to note the Draft Business Proposal, Term Three, in support of the ballot. The proposed ballot is due to take place on Thursday 6th October 2022 (the ballot day). This 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.
- 2.2 The BID4Oban (BID) has successfully completed its second BID term with a number of key objectives delivered for the benefit of the town of Oban over the past ten years. The Draft Business Proposal, Term Three again sets out the governance, objectives, levy payments and benefits for business owners in Oban. In line with this, if the ballot is successful, the council will be required to pay an estimated annual levy charge of £6,120 over five years for Council properties in Oban.

3.0 RECOMMENDATIONS

- 3.1 That the Council agrees:-
- a. To note the ballot request and the BID4Oban Draft Business Proposal, Term Three.
 - b. To agree to delegate approval of the ballot request and final proposal to preserve the veto date of 28th July 2022, to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader, Depute Leader and Leader of the largest Opposition Group.
 - c. To agree to instruct the Returning Officer to conduct a ballot over 42 days in 2022 from Thursday 25th August to Thursday 6th October ('the ballot day').
 - d. To authorise the Executive Director with the responsibility for Development and Economic Growth to cast the votes on behalf of the council in favour of the BID.

- e. To agree that the Council will charge £7,956 (incl VAT) per annum, to BID4Oban for administering the levy charge to businesses in Oban, with charges thereafter increased annually. The first increase will apply on 31st October 2023 and annually thereafter for the subsequent term of the BID.
- f. To agree that, if BID4Oban are successful in the ballot, the Council will pay an estimated £6,120 per annum in levy contributions for Council properties in Oban.
- g. To note that if the BID group are successful in the ballot, two representatives from the Council would be requested to sit on the BID4Oban Board, one Elected Member and one Officer.

4.0 DETAIL

BID4Oban Business Plan

- 4.1 The BID4Oban (BID) has successfully completed its second BID term with a number of key objectives delivered for the benefit of the town of Oban. The draft business proposal informs the Council and other levy payers with regard to the merits of continuing the BID initiative which has been in operation for the last ten years.
- 4.2 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 Oban, their customers and the many visitors to the town. The Draft Business Proposal, 16.06.2022 (appendix 1) sets out the main objectives, benefits and outcomes of the BID board to be delivered over the next five years of operation. It informs the council and other levy payers on the level of their contribution, how this will be collected, and what the levy payers will see in return for their investment. The likely income and expenditure is included in the Plan as well as management and governance mechanisms. A process of consultation with levy payers has and continues to be undertaken by the BID. The final business proposal is expected to be submitted by 13th July and it is recommended that the Council agrees to delegate approval of the ballot request and final proposal to preserve the veto date of 28th July 2022, to the Executive Director with the responsibility for Economic Growth, in consultation with the Leader of the Council, the Deputy Leader and the Leader of the Largest Opposition Group.
- 4.3 The benefits of the levy are that it could potentially raise £168,362 a year to be spent in Oban, and over 5 years this could be in excess of £841,810. This would allow local businesses to spend money on their priorities that will work alongside future council and key partner activity.

BID4Oban Process

- 4.4 The ballot submission sets out the BID ballot process. It is proposed that the ballot will open for 42 days in 2022 from Thursday 25th August to Thursday 6th

October ('the ballot day'), with the ballot papers being counted on Friday 7th October 2022 and the results published within one week of this date. This will be facilitated by Argyll and Bute Council.

- 4.5 For the BID to be successful the ballot has to demonstrate a minimum 25% turnout and of those that vote, over 50% by number and 50% by combined rateable value must vote in favour of the bid.
- 4.6 If successful, the third term of the BID will commence again on 1st November 2022 and will run for a period of five years until the 31st October 2027.

Council Commitment and Finances

- 4.7 The Council has committed both local Elected Member and local officer time to the BID over the past ten years. If the BID ballot were successful, BID4Oban would again request two representatives from the Council to sit on the BID Board, one Elected Member and one officer.
- 4.8 If the ballot is successful then Argyll and Bute, as a levy payer, will be required to pay levy on its properties in Oban. This estimated contribution is £6,120 per annum.
- 4.9 If the ballot is successful the Council will charge BID4Oban £7,956 (incl VAT) per annum, for administering the levy charge to businesses in Oban, with charges thereafter increased annually. The Operating Agreement states that "The Council's charge for the provision of the Services on an annual basis will be £6,500 (excluding VAT) (the "**Council Annual Charge**"), representing its reasonable administrative costs in providing the Services (to be identified and agreed between the Council and the BID Company) yearly, and having effect on the 31 October of each year for which a BID is in place. Charges will be increased annually by CPI based on the increase over the last 12 months. Following receipt by the BID Company of a valid VAT invoice, the first payment will be due together with VAT within 4 weeks of receipt, or later by agreement." The Council's charging price noted above is based on October 2022 and will be updated by CPI annually.

5.0 CONCLUSION

- 5.1 BID4Oban has been highly successful over the last ten 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 BID4Oban Board, following consultation with levy payers, has decided to ballot for a third term of five years and have prepared a draft business proposal (attached as an Appendix to this report) that identifies their objectives for the next five years. If successful this process will allow the work of the BID 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 approve the ballot request, and note the BID4Oban Draft Business Proposal, Term Three, attached as Appendix 1 and associated financial requirements and agree to delegate approval of the ballot request and

final proposal to preserve the veto date of 28th July 2022, to the Executive Director with responsibility for Development and Economic Growth, in consultation with the Leader, Depute Leader and Leader of the largest Opposition Group.

6.0 IMPLICATIONS

- 6.1 Policy – Supports the delivery of the Local Outcome Improvement Plan and the Council’s Economic Strategy and Economic Recovery Plan.
- 6.2 Financial - The estimated Council levy payment will be £6,120 per annum for a period of 5 years as a budget pressure from the general unallocated fund. The Council will charge £7,956 (incl VAT) per annum to the BID4Oban for the collection and administration of the levy, with charges increasing on an annual basis.
- 6.3 Legal - Facilitation of ballot.
- 6.4 HR - Council officers are supporting the Oban BID. Two Council representatives, one Elected Member and one Officer will be requested to attend BID4Oban Board meetings.
- 6.5 Fairer Scotland Duty
 - 6.5.1 Equalities –protected characteristics – None.
 - 6.5.2 Socio-economic Duty - The BID aims to reduce inequalities of outcome caused by socio-economic disadvantage in Oban and represents the collective responsibility to grow the Oban economy.
 - 6.5.3 Islands - This BID will encompass the whole of Oban.
- 6.6 Climate Change - The draft business plan will take environmental impact into consideration in the delivery of projects.
- 6.7 Risk – The ballot may be unsuccessful.
- 6.8 Customer Service – None.

Executive Director with the responsibility for Development & Economic Growth
– Kirsty Flanagan

Policy Lead for Economy and Rural Growth – Councillor Robin Currie

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For further information contact:

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Appendix 1 – BID4Oban Draft Business Proposal, Term Three