

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

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**1.0 EXECUTIVE SUMMARY**

- 1.1 At the Council meeting on 30<sup>th</sup> June 2022 Elected Members considered a report which asked members to endorse the Oban Business Improvement District (BID) ballot submission and to note the Draft Business Proposal Term Three, in support of the ballot. Due to internal issues at BID4Oban, the ballot was not able to go ahead on the planned date of Thursday 6<sup>th</sup> October 2022. The final ballot submission documentation and the business proposal has now been received.
- 1.2 The purpose of this report is to ask Members to approve the Oban Business Improvement District (BID4Oban) ballot submission and to approve the Business Proposal, Term Three, in support of the ballot. The ballot is due to take place on Thursday 8<sup>th</sup> December 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.
- 1.3 The principle aim of the BID is to deliver projects and events to improve the trading environment for businesses, their customers and visitors. The business proposal informs levy payers on specific contributions required and outlines the objectives, benefits and outcomes of a BID over a 5-year period. The business proposal also sets out how levy contributions will be used and details the assumed return from this investment.
- 1.4 If approved, the ballot will take place over 42 days, from Thursday 27<sup>th</sup> October to Thursday 8<sup>th</sup> December ('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.
- 1.5 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 Business Proposal, Term Three, is attached at Appendix One. The 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 approve the ballot request, to approve the Oban BID Business Proposal and agree to instruct the Returning Officer to conduct a ballot over 42 days in 2022 from Thursday 27<sup>th</sup> October to Thursday 8<sup>th</sup> December ('the ballot day').
- b. 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.
- c. To approve 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 31<sup>st</sup> October 2023 and annually thereafter for the subsequent term of the BID.
- d. To approve 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.
- e. 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.

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**2.0 INTRODUCTION**

- 2.1 At the Council meeting on 30<sup>th</sup> June 2022 Elected Members considered a report which asked members to endorse the Oban Business Improvement District (BID) ballot submission and to note the Draft Business Proposal Term Three, in support of the ballot. Due to internal issues at BID4Oban, the ballot was not able to go ahead on the planned date of Thursday 6<sup>th</sup> October 2022. The final ballot submission documentation and the business proposal has now been received.
- 2.2 The purpose of this report is to ask Members to approve the Oban Business Improvement District (BID4Oban) ballot submission and to approve the Business Proposal, Term Three, in support of the ballot. The proposed ballot is due to take place on Thursday 8<sup>th</sup> December 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.
- 2.3 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 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 approve the ballot request, to approve the Oban BID Business Proposal and agree to instruct the Returning Officer to conduct a ballot over 42 days in 2022 from Thursday 27<sup>th</sup> October to Thursday 8<sup>th</sup> December ('the ballot day').
  - b. 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.

- c. 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 31<sup>st</sup> October 2023 and annually thereafter for the subsequent term of the BID.
- d. 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.
- e. 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 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 Business Proposal, (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 been undertaken by the BID.
- 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 27<sup>th</sup> October to Thursday 8<sup>th</sup> December ('the ballot day'), with the ballot papers being counted on Friday 9<sup>th</sup> December 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 19<sup>th</sup> December 2022 and will run for a period of five years until the 31<sup>st</sup> 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 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 approve the BID4Oban Business Proposal, Term Three, attached as Appendix 1 and associated financial requirements.

## **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 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

September 2022

**For further information contact:**

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