



## LEAMINGTON BUSINESS IMPROVEMENT DISTRICT (BID LEAMINGTON)

### BID Levy Rules

The BID process is governed by the 'Local Government Act 2003' and 'The Business Improvement District Regulations 2004'. Accordingly, once a majority vote has been achieved, the BID levy becomes mandatory on all defined ratepayers.

- 1) The Renewal BID term will be five years and run from the 1<sup>st</sup> July 2018 - 30<sup>th</sup> June 2023.
- 2) The BID levy will be applied to all non-domestic properties or hereditaments with a rateable value of £15,000 or more. This represents no change to the threshold. The number of properties or hereditaments liable for the levy have changed from 375 to 355 (at the time of publishing) as a result of changes to rateable values and property mergers / splits.
- 3) Properties that do not have or support a retail or leisure proposition, as defined by the valuation office 'category' will be exempt from the levy. This includes the use and premises categorised as office and premises, law courts, factories, police stations, schools, nursery schools, surgeries, workshops, vehicle repair, communication stations and premises.
- 4) From 1<sup>st</sup> July 2018, the NNDR rating list 2017 will apply. The levy rate to be paid will be fixed at 1.6% of the rateable value as at the selected 'chargeable day' (1<sup>st</sup> July annually). This represents a change of 0.1% reflecting the significant drop in combined rateable value across the town as a result of the 2017 national business rate revaluation, and gives a total BID Levy income which is slightly less than the first and second term of the BID.
- 5) The levy will be charged annually in advance for each chargeable period to be 1<sup>st</sup> July to 30<sup>th</sup> June each year, starting in July 2018. No discounts or refunds will be made.
- 6) Annually the Board will have the discretion to add up to 2% (0.02) inflation on to the levy rate, for example year two the levy rate could be a maximum of 1.62% and year three a maximum of 1.64%. (e.g if the annual levy bill is £240, it would increase by no more than £3 per year). Negative inflation will not apply.
- 7) The liability of the levy will fall on the eligible ratepayer listed on the 1<sup>st</sup> July in the year of collection. The owners of untenanted properties or hereditaments will be liable for payment of the levy.

- 8) There will be no VAT charged on the BID levy.
- 9) Charitable organisations that are subject to Warwick District Council mandatory relief on their business rates liability are exempt from the levy except those that have a retail function or operation.
- 10) The rating revaluation proposed for 2020, or any other date within the five year BID term, will be ignored for the purposes of calculating the levy.
- 11) The exception to this will be variations to the rating list after 1st July 2018 due to any change of use or a physical change to a property or hereditament including inter alia; new construction, merger, subdivision, extension and refurbishment which result in the issue of a new entry (entries) in the Ratings List at that time.
- 12) If, during the term, the rateable value assigned to a property or hereditament falls below £15,000 for whatever reason (either through physical change, change of use, or revaluation arising from the adoption of the 2017 Rating List), the hereditament will be exempt from the levy from the next chargeable period.
- 13) If, during the term, a property or hereditament with a rateable value which had previously been below the £15,000 threshold is assigned a rateable value which is above £15,000, the hereditament will be liable for the levy.
- 14) Warwick District Council will be responsible for collection of the levy. Collection and enforcement arrangements will be similar to those for the collection and enforcement of non-domestic business rates with the BID company Board responsible for any debt write-off.

### **The BID Levy Threshold**

Businesses of all sizes are important to us. We recognise that many small businesses in the town contribute to the independent offer that makes Royal Leamington Spa so unique, while facing increasing economic burdens.

For this reason, the property value threshold for which the BID levy becomes mandatory will remain at £15,000. Business with a property value below £15,000 can choose to contribute as a 'voluntary member' and benefit from defined BID services, if they wish.