

## **The BID levy explained**

1. The BID Regulations of 2004 (as amended), approved by the Government, sets out the legal framework within which BIDs will have to operate, including the way in which the levy is charged and collected, and how the ballot is conducted.
2. The BID levy rate will be fixed for the full term and will not be subject to variation by the annual rate of inflation. This will be set on the 1st of April (Chargeable Date) each year using the most current Non-Domestic Ratings list. It will be updated for any changes in ratepayer appeals, additions, or removals.
3. The BID Levy will be applied to all eligible business ratepayers within the defined area with a rateable value of £12,000 and over.
4. The following exemptions to the BID Levy apply:
  - Those with a rateable value of less than £12,000
  - Non-retail charities with no paid staff, trading arm, income or facilities
  - Not-for-profit subscription and entirely volunteer-based organisations
  - Business that fall in the following sectors – industrial, manufacturing, storage and workshops
5. The minimum levy amount or equivalent financial contribution payable will be £180.
6. The BID levy will be paid by any new ratepayer occupying any existing hereditaments (business rated unit) within the BID area.
7. New hereditaments will be charged from the point of occupation based on the rateable value at the time it enters the rating list, even though they did not vote on the initial proposal.
8. If a business ratepayer occupies premises for less than one year, the amount of BID levy payable will be calculated daily.
9. Empty properties, those undergoing refurbishment or being demolished will be liable for the BID levy via the registered business ratepayer with no void period.
10. The BID levy will not be affected by the small business rate relief scheme, exemptions, relief, or discounts prescribed in the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 made under the Local Government Finance Act 1988.
11. Where the rateable value changes, including rating list revaluation, and results in a change to the BID Levy amount, this will only come into effect from the next chargeable year and no refunds of the BID levy will be made for previous years.
12. VAT will not be charged on the BID levy.

13. The billing body (Horsham District Council) is authorised to collect the BID levy on behalf of Horsham BID Ltd.

14. The levy income will be kept in a separate ring-fenced account.

15. Collection and enforcement arrangements will be like those for the collection and enforcement of non-domestic business rates with the BID Company responsible for any debt write off.

16. The BID area and the levy rate cannot be altered without a further ballot.

17. The BID projects, costs and timescales can be altered subject to Board approval providing the changes fall within the income and overall objectives of the BID.

18. The levy rate or boundary area cannot be increased without a full alteration ballot. However, if the BID Company wishes to decrease the levy rate or change those BID Levy rules that they can, during this term, it will do so through a consultation, which will, as a minimum, require it to write to all existing BID levy payers. If more than 25% object in writing, then the proposed course of action or changes will not proceed.