

# **Hammersmith** LONDON

## **2016-21: Levy Rules**

# Term 3: 2016-21: BID Levy Rules

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The following rules must be read in conjunction with the Regulations. Where the rules conflict with the Regulations the Regulations prevail.

## 1.0 Definitions

1.1 Definitions in these arrangements are as per The Business Improvement Districts (England) Regulations 2004.

## 2.0 Hereditaments Subject to the BID Levy

2.1 A BID Levy Payer will be subject to the BID Levy in respect of a Hereditament if on a particular day in a Chargeable Period the Hereditament:-

- (i) is within the BID geographical boundary (appendix 2);
- (ii) is on the Non Domestic Rate Valuation List;
- (iii) has rateable value of £40,000 or greater.

2.2 Persons liable to the levy will be any “Rate Payer” as set out in section 59 of the Local Government Act 2003, [Interpretation of Part 4]. Section 59 clarifies the meaning by stating “non-domestic ratepayer, in relation to any area, means a person subject to a non- domestic rate under section 43 or 45 of the Local Government Finance Act, 1988 (c.41) (liability to non-domestic rates) because he is the owner or occupier of a hereditament situated in that area.”

2.3 For the purposes of non-domestic rating, the owner of a Hereditament or land is interpreted as per the definition in section 65(1) of the Local Government Finance Act 1988. This states that “the owner of a hereditament or land is the person entitled to possession of it”. A similar definition exists in Schedule 4A of the Local Government Finance Act 1988 at paragraph 10(b) for unoccupied properties.

## 3.0 The BID Levy

The BID Levy will be calculated for a Chargeable Period as follows:

Rateable Value of Hereditament x BID Multiplier x (D/Y), where:

- 3.1 the rateable value of the Hereditament is:
  - 3.1.1 the relevant rateable value (as amended) of the Hereditament in the 2010 or subsequent Valuation List, subject to the '*closed financial year rule*'
  - 3.1.2 In the event that there is no such rateable value, the rateable value of the Hereditament for the purposes of the BID shall be that provided by the Valuation Office Agency.
- 3.2 The BID Multiplier will stay a flat 1% throughout the BID's term;
- 3.3 D is: the number of days in the Chargeable Period for which the BID Levy Payer is liable for the daily BID Levy;
- 3.4 Y is: the number of days in the Chargeable Period, e.g. 365 between 1<sup>st</sup> April 2010 and 31<sup>st</sup> March 2011.
- 3.5 The BID Levy will be rounded to the nearest penny. (NB. £0.005 will be rounded up to £0.01).
- 3.6 How the amount of the BID Levy is to be calculated cannot be altered during the BID Term without an alteration ballot.

#### **4.0 Persons/Organisations Liable for the BID Levy**

- 4.1 The BID Levy will be a daily charge.
- 4.2 Liability for the daily BID Levy will fall on the occupier of the Hereditament on the relevant day.
- 4.3 The initial list of non-domestic ratepayers liable to the BID levy will be updated with any changes to the billing authority's rating records and any new, refurbished or reconstituted Hereditaments entered into the rating list after the BID commencement date shall additionally also become liable to the BID levy so long as other relevant criteria within this document are also met. The list will therefore change over time as different liable ratepayers are added who will also become responsible for the BID levy or removed and are therefore no longer responsible for the BID levy.
- 4.4 Where a property is taken out of the rating List (e.g. due to demolition, split or a merged assessment) the BID levy will be due up to the day before the effective

date of removal from the rating list. The annual BID levy will be apportioned accordingly.

- 4.5 If a Hereditament is unoccupied, the liability for the daily BID Levy will fall on the organisation or person entitled to possession on the relevant day. For this purpose 'entitled to possession' shall have the same meaning as under s65 of the Local Government Finance Act 1988.
- 4.6 A BID Levy for a Chargeable Period is payable in advance upon service of a Demand Notice.

## **5.0 BID Levy Allowances & Exemptions**

- 5.1 All Charities receiving mandatory rate relief will be exempt from paying the BID Levy
- 5.2 All Hereditaments with a rateable value of £39,999 or less will be exempt from paying the BID levy, subject to the '*closed financial year rule*'.
- 5.3 All 'Public Services', defined as those services free at the point of delivery, will be exempt from paying the levy. This includes Police, Fire Brigade and Ambulance services, The Council and public funded NHS Hospitals. Final decisions on liability rest with the BID Company.
- 5.4 Other than the exemptions specified above, there will be no other exemptions to the BID levy.
- 5.5 There is no distinction to be made between occupied and unoccupied Hereditaments. Both will attract the full BID Levy.

## **6.0 Collection of the BID Levy**

- 6.1 The commencement date for the Greater Hammersmith (t/a HammersmithLondon) BID arrangements will be April 1<sup>st</sup> 2015, and will apply for a period of five years thereafter.
- 6.2 The BID Levy for a chargeable period must be paid by the single instalment on the due date. The Demand Notice will be served as soon as practicable after the Council becomes aware of a BID Levy liability. The Council may serve a Demand Notice before the beginning of a chargeable period in accordance with schedule 4, para 5(2) of the Regulations.

- 6.3 The BID Company or the Council may authorise refunds to BID Levy Payers, as appropriate.
- 6.4 The BID Company may authorise write-offs, as appropriate.

## **7.0 Closed Financial Year Rule**

- 7.1 The BID will operate a variable rateable value system within each *'current'* financial year. The BID Levy will therefore reflect rateable value schedules issued by the Valuation Office. However, once the end of the financial year is passed (i.e. the 31<sup>st</sup> March), the BID will not take into account any subsequent rateable value schedules altering the rateable value list retrospectively for the BID area and will apply the changes to the financial year in which the rateable value schedule was received only, if applicable. This will mean that no rebates will be given for reductions retrospectively. Likewise, no increases will occur retrospectively once a BID financial year comes to an end.
- 7.2 The above concept will also apply to properties that may be removed from the list or added to the list retrospectively, and will also apply to splits or mergers.
- 7.3 One exception is where rate payers become known to be liable BID payers after the commencement of the BID and potentially after the end of the relevant financial year and where rate payers cease to be liable BID payers but liability is not adjusted until after the end of the financial year. In these scenarios, liability will be adjusted accordingly and either demand notices issued for payment or refunds given as appropriate.

## **8.0 Recovery and Enforcement**

- 8.1 The non-payment of the BID levy will be strongly pursued via all available enforcement options. This may include: the issuing of summons at minimum cost to the BID levy payer of £150 per summons (or any other figure that the billing authority may adopt), the use of bailiffs, committal, insolvency and county court action. All of these actions may incur additional costs for which the BID Levy payer will be liable