

Schedule 1 – The BID Levy Rules / Arrangements - Draft

This section sets out in further detail the technical and budgetary information relating to how the Fulham Broadway Business Improvement District (BID) will operate.

Definitions

Definitions in these arrangements are as per The Business Improvement Districts (England) Regulations 2004, the Local Government Act 2003 and Local Government Finance Act 1988 unless expressly defined in this document.

Who is proposing this initiative?

The BID proposer is the Fulham Broadway Business Improvement District Steering Group. The BID body will be Fulham Broadway Business Improvement District (BID) Ltd (“the BID Company”). It will be incorporated as a company limited by guarantee in the event of a positive ballot result in July 2018.

How will the BID be run?

The BID will be run by the Fulham Broadway Business Improvement District BID Company.

Elections to the Board will be held at AGM and all Members of the BID Company will be eligible to run for election. The proposed Board representation is as below. The breakdown reflects that of the businesses in the BID area and representatives should come from a variety of sectors and geographical areas to ensure a representative body to lead the development of the Fulham Broadway Business Improvement District:

- 5 Large Business (>50 employees), each providing 1 representative
- 5 Small Business (<50 employees), each providing 1 representative
- 1 Associate Member business
- 1 Local Authority Representative

The following Representatives shall also sit on the board:

A local ward councillor and residents’ association representative will also be invited to be a non-voting member of the board.

It is expected that the BID’s activities will be delivered under three main “Themes”. These groups will be known as Theme Groups. These theme groups will focus on particular areas of the BID’s activities and take responsibility for developing detailed project budgets for that theme in conjunction with the Board. All BID members and Associate Members may be represented on these theme groups. Additional theme groups will be set up as and when required.

How can I get involved in the running of the BID?

In the event of a successful BID ballot, all BID levy payers will be invited to become a Member of the Company. Company Members may subsequently nominate themselves for directorships or to sit on one of the BID’s theme groups.

The Board will manage the Executive Team, which will deliver the projects and services as set out in the BID Proposal.

How long will the BID last?

The BID term will be five years in duration from 1st October 2018 to 30th September 2023.

Before the end of this period, the BID Board may choose to seek renewal of the BID for a further term, through a renewal ballot.

What area is covered by the proposal?

The BID area covers the following streets, either in whole or in part:

Effie Road (properties from 25 to 29)
Fulham Road (properties from 390 to 739)
Harwood Road (properties from 1 to 45)

Jerdan Place
Lillie Road (properties from 5 to 197)
North End Road (properties from 230 to 504)
Vanston Place

The area covered by the proposal is shown in the map below.



Shouldn't the Council be paying for this through my business rates?

A BID generates revenue that is ring-fenced for the area in which it is collected, to be spent on projects for the benefit of businesses that pay the BID levy. All services provided by the BID will be additional to those provided by The Council. Additionality is ensured through the production of a 'Baseline Agreement' which sets out the standard level of statutory service that is already provided for the BID area. This ensures that the BID levy only funds services and projects over and above this level.

How will the ballot work?

The ballot will be managed by of Hammersmith & Fulham Council and will run between Tuesday 26th June 2018 and Thursday 26th July 2018. The ballot will close at 5pm on Thursday 26th July 2018. The ballot will be a secret postal ballot of the eligible hereditaments on the National Non-Domestic Ratings List at the time of the notice of ballot being issued. Where the occupiers of individual hereditaments have nominated in writing the name of the person who should vote on their behalf, the notice of ballot and ballot papers will be sent to them.

Who is eligible to vote and to pay the levy? Are there any exemptions?

For the purposes of determining eligibility to vote and to pay the levy, the 2017 Non-Domestic Rating List will be used for the whole of the BID's 5-year term.

The BID levy will be fixed as a percentage of the rateable value of all eligible ratepayers using the 2017 rating list as at the date of notice of the ballot (14th June 2018) This will ensure clarity for businesses on what they can expect to pay.

All non-domestic ratepayers with a rateable value of £15,000 or more using the 2017 rating list as at 14th June 2018, which is the date of notice of the ballot, will be liable to pay the BID levy.

The levy charge will be capped at £20,000 PAYABLE per hereditament, per year.

The following will not be eligible for the BID levy, or for the vote:

- Business units with a rateable value of less than £15,000
- 'Central List' properties that are not contained in the local rating list.
- Advertising rights, telephone masts and ATMs
- Schools (not including further or higher educational establishments)

All other types of business are eligible to vote in the BID ballot and to pay the BID levy.

Businesses with a rateable value of less than £15,000 are encouraged to voluntarily contribute and join the BID through Associate Membership. Businesses making this voluntary contribution will be invited to become Members of the Company.

Where hereditaments are unoccupied at the time of the notice of ballot, the owner will be entitled to vote in the BID ballot. The BID levy payer in cases of unoccupied hereditaments will be the owner of the whole of the hereditament. The term 'owner' is defined in section 65 (1) of the Local Government Finance Act 1988.

Where a hereditament is occupied by a Registered Charity and is in receipt of Mandatory Rate relief (as prescribed by section 43 and 45 of the Local Government Finance Act 1988 (LGFA88), that hereditament shall receive 80% relief from the rate it would otherwise be eligible to pay.

Businesses which begin to occupy existing hereditaments during the BID period will be liable to pay the levy for their period of occupation, providing the hereditament is eligible for the BID levy. The BID levy will be extended to occupiers and owner-occupiers of hereditaments built or first occupied in the BID area during the life of the BID, assuming that they are otherwise eligible.

Where a property is taken out of rating e.g. due to demolition or a split or merge of an existing assessment, the BID levy will apply up to the day before the effective day of removal from the Rating List.

Additionally, where a business can prove that it stopped occupying a hereditament during the BID period and has already paid the BID levy, it shall be entitled to receive a refund for the proportion of the BID levy covering the period of time from the proven day on which the business stopped occupying the hereditament to the end of that BID billing period.

Where a new assessment is brought into the Rating List e.g. a newly erected property or a property resulting from a split or merger, the BID levy will apply from the effective date as shown in the Rating List. The annual levy will be apportioned on a daily basis as required.

Can I get involved in the BID even if I am under the threshold?

Occupiers of hereditaments within the BID Boundary with rateable values lower than the £15,000 threshold are encouraged to voluntarily contribute and join the BID through Associate Membership. This voluntary Associate Membership will also be available to businesses with properties outside of the BID Boundary. Businesses making this voluntary contribution will be invited to become Members of the Company and will then be able to attend and vote at AGMs, sit on Theme Groups and put themselves forward to represent Associate Members on the BID Board.

How much will the BID cost?

The BID levy is a daily charge. The BID levy will be fixed at 1.25% of the rateable value of all non-domestic ratepayers with a rateable value of £15,000 or more using the 2017 rating list as at 14th June 2018, which is the date of notice of the ballot.

There will be no VAT charged on the BID levy.

The BID levy will be payable from 1st October 2018 for the first 6 months of the BID and from 1st April for each subsequent year. The charge will be calculated on a daily basis and there will be adjustments during the year to reflect changes in the liable party.

In the first instance this is likely to generate around £1,600,000 for the BID.

What if I pay business rates as part of my rent or service charge?

Where the occupants of hereditaments pay an inclusive rent or other charge for occupying space that includes the business rates charge, the organisation or person who is liable for paying business rates is liable to pay the BID levy and, consequently, is eligible to vote in the ballot.

How will new developments or changes in the status of a property be treated?

Businesses which begin to occupy existing hereditaments during the BID period will be liable to pay the levy for their period of occupation, providing the hereditament remains eligible for BID membership. The BID levy will be extended to occupiers and owner-occupiers of hereditaments built or first occupied in the BID area during the life of the BID, assuming that they are otherwise eligible.

Where a property is taken out of rating e.g. due to demolition or a split or merge of an existing assessment, the BID levy will apply up to the day before the effective day of removal from the Rating List.

Additionally, where a business can prove that it stopped occupying a hereditament during the BID period and has already paid the BID levy, it shall be entitled to receive a refund for the proportion of

the BID levy covering the period of time from the proven day on which the business stopped occupying the hereditament to the end of that BID billing period.

Where a new assessment is brought into the Rating List e.g. a newly erected property or a property resulting from a split or merger, the BID levy will apply from the effective date as shown in the Rating List. The annual levy will be apportioned on a daily basis as required.

How will the BID levy be collected?

Arrangements for the collection of the BID levy are set out in a formal Operating Agreement between the BID Company and Hammersmith & Fulham Council. The Council will be responsible for collecting the BID levy on behalf of the BID Company.

Enforcement measures for the collection of the BID levy will be detailed in the Operating Agreement between the BID Company and Hammersmith & Fulham Council.

The BID levy is a mandatory charge and collection is enforceable in the same way as the business rate. After 21 days non-payment of the BID levy, a reminder will be sent giving a further 14 days to pay. If after a further seven days from the payment date stated in the Reminder Notice the outstanding sum of the BID levy has not been paid the Council may make an application to the Magistrates Court for a Liability Order to recover the outstanding sum of the BID levy. The BID Company will strongly pursue collection of the BID levy, using all available enforcement mechanisms. Non-payment of the BID levy will incur additional costs to the business in question.

Can the BID arrangements be altered?

Only minor amendments can be made to the BID arrangements without seeking formal approval from the BID Members. BID arrangements may be altered without an alteration ballot, as long as there is no proposal to alter:

- The geographical area of the BID
- The BID levy in such a way that would:
 - i. cause any person to be liable to pay the BID levy who was not previously liable to pay; or
 - ii. increase the BID levy for any person other than for inflation purposes.

Where BID arrangements may be altered without an alteration ballot, the alteration will be made by a decision of the Fulham Broadway Business Improvement District BID Company Board, following consultation with Hammersmith & Fulham Council.