

Newcastle City Centre Business Improvement District (“BID”)

Levy Rules and Ballot Alteration Rules

The BID Company is required by the 2004 Regulations governing its establishment to set out in the BID Proposal the details of the BID levy and the rules associated with it.

The Company must adopt a set of rules which are both practically operable by the billing authority and which maximise revenues. The rules have been established following extensive discussions with Newcastle City Council (“NCC”) NNDR and IT departments.

Levy Rules

1. BID commencement date and chargeable period

The BID will commence on 1 April 2024 and will run for 5 years to 31 March 2029.

2. Calculation of the levy

In the first year (or part thereof) the Levy will be 1.5% of the rateable value (“RV”) of the hereditament as determined at the initial billing.

For subsequent financial years the Levy will be 1.5% of the RV of the hereditament as at 1 April of the financial year, plus an inflation allowance of CPI (as at September of the preceding financial year).

The Levy will be calculated as a daily charge and will correspond with commencement and termination of liability for national non-domestic rates, as determined by rating statute.

3. Lower threshold

All hereditaments with an RV of less than £20,000 are exempt from the Levy. Central List properties, ATM’s and advertising hoardings are also exempt from the Levy whether or not their RV is less or more than £20,000.

If the RV of the property becomes equal to, or increases above, the £20,000 threshold, the ratepayer will become liable to pay the Levy from the date of change in the list.

If an RV falls below the £20,000 threshold the ratepayer will no longer be liable to pay the Levy from the date of change in the list.

4. New hereditaments

The ratepayer for a hereditament with an RV of £20,000 and over entering the list will be liable to pay the Levy from the date of entry in the list.

5. Rateable value increases

The ratepayer will be invoiced for any additional amount due for the financial year in which the schedule of amendment is received. It will not be backdated to a previous financial year.

6. Rateable value decreases

The ratepayer will be refunded any amount overpaid for the financial year in which the schedule of amendment is received. It will not be backdated to a previous financial year.

Temporary RV reductions will not be taken into account when calculating the Levy amount if it is for a period of less than 6 months.

7. Reconstituted properties

The ratepayer will be invoiced/refunded any amount due/overpaid for the financial year in which the schedule of amendment is received. It will not be backdated to a previous financial year.

8. Deletions

The ratepayer will be refunded any amount overpaid for the financial year in which the schedule of amendment is received. It will not be backdated to a previous financial year.

9. Levy in relation to empty properties

All empty properties will be charged at 100% Levy, as if occupied, with no void period.

10. Treatment of properties in receipt of mandatory and/or discretionary relief

No reduction will be made and the ratepayer will be liable to pay the Levy in full, other than with respect to walk-in charitable advice centres which will be exempt.

11. Serviced properties

Businesses within serviced properties will be charged the full 1.5% Levy rate, payable by the eligible ratepayer.

12. Collection of the Levy

By a one-off payment, payable 28 days after the date of the invoice.

13. Collections rates, bad debt and provisions

The collection target rate will be net of on-going write-offs and a bad debt provision.

An initial target collection rate of between 95% and 97% be set for the first financial year of the BID and will be kept under review.

The production and maintenance of the collection rate statistics will be the responsibility of NCC staff within Revenues.

Any "goodwill"/voluntary contribution payments are declared separately. NCC will advise on the level of bad debt below which it is not worth trying to enforce, linked to NCC write off policy.

Any shortfall in collection will impact on the BID revenue accordingly.

14. The Levy invoice and standard rules for administration, collection and enforcement

That the BID Company and NCC agree these and that, unless otherwise specified, the provisions of the Local Government Finance Act 1998 and Schedule 4 of the 2004 regulations, (Imposition, Administration, Collection, Recovery and Application of the BID Levy) apply for the administration, collection and enforcement of the Levy.

That the BID Company will produce the BID information that must be included with the invoice and ensure that the information provided complies with the regulations.

15. Mandatory Levy and project costs

The Levy is mandatory for all eligible hereditaments if the proposal is approved with the requisite majority. The costs of establishing the BID will not be met from Levy revenues.

Ballot Alteration Rules

1. Variation rules

Provided that the BID is meeting its overall objectives, the Board shall have the ability to vary service delivery and expenditure allocation according to the changing demands of Levy payers. In accordance with the BID Regulations (2004) England, changes to the BID area or to the levy rate proposals may require an Alteration Ballot.