

## Setting up the Shirley BID – Proposed Bid Levy Rules

Question from Solihull MBC	Assumptions made by Solihull MBC
1. Name of BID Company	Shirley BID Company Limited
2. Name of BID area (ie reflecting retail/business area). This is necessary if in future more than one BID is in place.	Shirley BID
3. Please provide all post codes within the BID area – (full post codes needed) and any roads that split that are not part of the levy. Solihull MBC will provide a reconciliation spreadsheet for you to sign off.	The list of properties used for the ballot is the complete list.
4. Please state the amount of the BID levy you wish to charge.	1.5% of the rateable value, with a 25% concession for tenants in managed shopping centres.
5. Which Rating list should the levy be based on.	The Rating list that is effective for non-domestic rates on the chargeable day.
6. Within the BID term, each year from 31 July 2019 do you wish the levy to increase by the rate of inflation?	Inflation - to account for inflation, the BID levy may be increased each year from year two, by a maximum rate of 3% on the levy paid in the preceding year. It is proposed that the BID Board would decide any such increase each year, giving consideration to economic circumstances and feedback from levy-payers.
7. Will the BID levy charge have a “cap”.	There will be no maximum levy caps.
8. Will the BID levy be payable in one payment/instalment?	Yes – one instalment .
9. Is there a minimum Rateable Value (RV) the levy will apply to?	Any premises with a RV below £7,500 will not be liable to pay the BID levy, although they will be able to join as

	voluntary members.
10. Please provide details of the bank account into which the BID levy will be transferred.	
11. Levy Payments are to be made by cash only (direct debit will not be arranged as single instalment).	Yes – cash/cheque/BACS only.
12. The levy will be charged on a chargeable day basis. The chargeable day will be 1 <sup>st</sup> July immediately preceding the BID Levy financial year commencing on 31 <sup>st</sup> July	<p>Under the chargeable day principles , businesses that would be liable to pay the BID levy on 1<sup>st</sup> July will be issued with a BID levy bill for the following financial year commencing on 31 July</p> <p>The rateable value that has effect on the 1<sup>st</sup> July for non-domestic rate purposes will be used to calculate the BID levy for the following financial year commencing on 31 July.</p> <p>Businesses that were no longer liable to pay the BID levy between the chargeable day, 1<sup>st</sup> July and the start of the following BID financial year, 31<sup>st</sup> July, would be expected to pay the BID levy for the following BID financial year.</p>
13. If occupants change and the levy is paid, will the new business be liable to pay the levy for the remainder of the year and refund the former business?	<p>No. Under the chargeable day principles if a levy payer is no longer the liable party after the chargeable day they would still be held liable for payment of the BID levy for the whole of the BID financial year immediately following the last chargeable day for which they were liable.</p> <p>For example:-</p> <p>Business A was liable to pay the BID levy on the chargeable day, 1<sup>st</sup> July 2018 for the BID financial year 2018-19, and payment was made in full on 3<sup>rd</sup> August 2018.</p>

	<p>Business A vacated the premises on 9<sup>th</sup> September 2018 and Business B took up occupation on 10<sup>th</sup> September 2018.</p> <p>Business A would not receive a refund.</p> <p>Business B would not be issued with an apportioned BID levy bill for the BID year 2018-19.</p> <p>Business B would receive their first BID levy bill for the BID financial year 2019-20 as they will be the liable party on the next chargeable day, that is 1<sup>st</sup> July 2019.</p>
<p>14. If the rateable value (RV) changes (increases or decreases, does the BID company want the levy amount to be recalculated</p>	<p>No– If the RV changes after the chargeable day no recalculation will be made and no amended bill will be issued. The new RV will take effect from the next chargeable day.</p> <p>For Example:-</p> <p>The RV on the chargeable day, 1<sup>st</sup> July 2019 for Business C was £55,000.</p> <p>On a Valuation Office Agency (VOA) schedule dated 10<sup>th</sup> October 2019 the RV was reduced to £40,000 effective from 1<sup>st</sup> April 2017.</p> <p>No amended bill will be issued in the BID financial year 2019-20 and there will be no recalculation for that year or previous BID financial years.</p> <p>The RV of £40,000 will be the basis of the charge for the next financial year, 2020-21 as that will be RV on the chargeable day on 1<sup>st</sup> July 2020.</p>
<p>15. If a new property is entered into the Rating list during the BID financial year when will the liable party for the property</p>	<p>The liable party for the property will be liable to pay the BID levy on the first day of the BID financial year or the effective date of the RV entry in the Rating list</p>

<p>be deemed to be liable to pay the BID levy.</p>	<p>whichever is the later.</p> <p>For Example: Example 1</p> <p>On a VOA schedule dated 15<sup>th</sup> March 2020 a new property is entered into the Rating list with an effective date of 1<sup>st</sup> May 2019.</p> <p>The property will become liable for payment of the BID levy from the first day of the BID financial year, that is 31<sup>st</sup> July 2019 as this is the later date.</p> <p>A BID levy bill will be issued as soon as practicable in March 2020 backdated to 31<sup>st</sup> July 2019.</p> <p>Example 2</p> <p>On a VOA schedule dated 15<sup>th</sup> March 2020 a new property is entered into the Rating list with an effective date of 1<sup>st</sup> November 2019.</p> <p>The property will become liable for payment of the BID levy from the effective date of the RV in the Rating list that is 1<sup>st</sup> November 2019 as this is the later date.</p> <p>A BID levy bill will be issued as soon as practicable in March 2020 backdated to 1<sup>st</sup> November 2019.</p>
<p>16. If a property is split or merged, does the BID company want the levy to be recalculated during the BID financial year in which the amendments appear on a VOA schedule?</p>	<p>No– If the property is part of a split or merger after the liable day no amended bill will be issued.</p> <p>The new RV's on the split / merged properties will take effect from the next chargeable day.</p> <p>For Example:-</p> <p>The RV on the chargeable day, 1<sup>st</sup> July 2019 for Business D was £100,000.</p>

	<p>On a Valuation Office Agency (VOA) schedule dated 10<sup>th</sup> October 2019 the property was split to form two assessments one occupied by Business D with a RV of £75,000 and one occupied by Business E with a RV of £30,000.</p> <p>The split was effective from 1<sup>st</sup> April 2017.</p> <p>No amended bill will be issued in the BID financial year 2019-20 and there will be no recalculation for that year or previous BID financial years.</p> <p>The RV's of £75, 000 for Business D and £30,000 for Business E will be the basis of the charge for each business for the next financial year, 2020-21 as those will be RV's on the chargeable day on 1<sup>st</sup> July 2020.</p>
<p>17. If a ratepayer is removed from the rating list or the RV is reduced to zero do they still pay the levy?</p>	<p>Yes – If the RV changes to zero or the property is removed from the rating list after the chargeable day no amended bill will be issued during that BID financial year.</p> <p>No BID levy charge will be calculated on the next chargeable day.</p> <p>For Example:-</p> <p>The RV on the chargeable day, 1<sup>st</sup> July 2019 for Business F was £22,000.</p> <p>On a Valuation Office Agency (VOA) schedule dated 10<sup>th</sup> October 2019 the RV was reduced to £0 (zero) effective from 1<sup>st</sup> April 2017.</p> <p>No amended bill will be issued in the BID financial year 2019-20 and there will be no recalculation for that year or previous BID financial years.</p> <p>There will be no BID levy charged for the BID financial year 2020-21 because on</p>

	the chargeable day 1 <sup>st</sup> July 2020 the RV was £0 (zero).
18. Any dispute from a BID levy payer over the application of the chargeable day principles will be passed to the BID company or its representative for a final resolution.	Yes.
19. If the levy payer has overpaid ( for example two payments were made instead of one ) and is due a refund, will the refund cheque come from Solihull MBC and the monies deducted from any future BID Levy payment from Solihull MBC to the BID company.	Yes.
20. If a ratepayer is exempt from paying business rates, are they exempt from the levy?	No. Only businesses whose property has a rateable value of less than £7,500 will not pay a BID levy ( see rule 9 above).
21. If a rate payer's heriditament is unoccupied, do they have to pay the levy?	Yes, they still pay the full levy.
22. If a ratepayer receives mandatory relief (as they are a charity) do they have to pay the full levy, no levy or a percentage of the levy?	They will have to pay the full levy – subject to the concession, if applicable, in rule 4 above.
23. If a ratepayer receives discretionary rate relief do they have to pay the full levy, no levy or a percentage of the levy?	They will have to pay the full levy – subject to the concession, if applicable, in rule 4 above.
24. Are there any exclusions from the BID levy , car parks, Solihull MBC ?	No
25. Recovery of Bid levy, if all economical methods of	Yes, Solihull MBC will take all reasonable cost effective measures to

<p>recovery have been utilised and the levy remains unpaid, does the Bid Company agree to write off any uncollected debt?</p>	<p>recover all debt. In the instance where this is not possible any remaining debt will be written off with the agreement of the BID monitoring group.</p>
<p>26. Solihull agrees to recover the levy in line with legislation by issuing a bill, and if unpaid a reminder then summons. Does the BID company agree with this or do you want the recovery to cease at an earlier stage?</p>	<p>In all cases a bill, and reminder will be issued.</p> <p>A summons/liability order/enforcement agent (bailiff) or committal action will be taken where it is cost effective to do so and in agreement with a representative of the BID company.</p> <p>Please note where this happens the Council shall be entitled to recover the enforcement expenses incurred from the BID levy payer. Court costs are £73.00.</p>
<p>27. Does the BID company agree that Solihull MBC will take recovery in line with existing process and will draft the timetable for the recovery proceedings?</p>	<p>Yes</p>
<p>28. Is there a minimum level to recover against (for example less than £15.00)?</p>	<p>Yes.</p> <p>No reminder notice will be issued for a debt of under £5.</p> <p>No summons notice will be issued for a debt of under £15.</p> <p>No debt will be passed to the enforcement agents if the amount is under the amount of the costs level at that time, for example under £73.</p>
<p>29. Does the BID company agree for the court costs where a summons is issued to be the no higher than the summons cost for Non-Domestic rates?</p>	<p>Yes</p>

30. If there is a legal challenge to the ballot, the BID company will deal with this and accompany Solihull MBC's representative at court.	Yes
31. For the bill we will need you to supply your logo, is there any other logo's you would like on the levy bill?	No other logo other than the BID Logo which you will supply. The BID company will agree/sign off the bill.  Please note Solihull MBC's logo will not be on the levy bill.
32. Solihull MBC Income and Awards address/telephone number for payment enquiries will be on the bill. Will your contact details also be on the levy bill if a levy payer has any questions about the BID?	Yes  The BID company will deal with any challenges. Also with any enquiries for example if the levy payer did not vote
33. SMBC will provide the levy payer with information regarding payment of the bill. This payment information will be agreed by the BID company.	Yes.  If the BID company wishes to issue further information to the levy payers the BID company will do this separately.
34. Solihull MBC will supply management information on a monthly basis relating to cash collection of the BID levy.	Yes
35. Please provide a named contact for the levy agreement.	
36. What is the expected collection rate?	97%
37. If there is a challenge that is not outlined in the BID regulations, (for example the legality of the BID) the BID company will deal with this.	Yes