

## **The Durham BID Company Rules**

In developing the rules that will apply to the renewed BID, consideration has been given to "The Industry Criteria and Guidance Notes for BIDs" (2017) published by British BIDs annually.

### **The Ballot**

1. The Electoral Reform Service (ERS), on behalf of Durham County Council will send those responsible for properties or hereditaments to be subject to the BID a ballot paper prior to 3<sup>rd</sup> June 2017.
2. Each property or hereditament subject to the BID will be entitled to one vote in respect of this BID Proposal in a 28 day postal ballot which will commence on 3<sup>rd</sup> June 2017, and close at 5pm on 30<sup>th</sup> June 2017. Ballot papers received after 5pm on 30<sup>th</sup> June 2017 will not be counted. The result of the ballot is due to be announced on the following day.
3. In order for the proposal to be successful at ballot the result will need to meet, as a minimum, two independent criteria which are: (a) of those ballots returned by the close, those voting in favour of the renewal proposal must exceed those voting against it, and (b) of those ballot papers returned by the close, the total rateable value of those properties or hereditaments which vote in favour, must exceed the total of those voting against.
4. If successful at ballot, the BID will commence delivery of services in October 2017 and will continue for a period of five years to October 2022.

### **The Levy**

1. The levy rate to be paid by each property or hereditament is to be calculated as 1.5% of its rateable value as at the 'chargeable day' (notionally 20<sup>th</sup> October each year). This returns the BID to its originating levy rate.
2. Only properties or hereditaments with a rateable value of £6,500 or more will be eligible for payment of the levy.
3. For businesses remaining in their premises from the first term of the BID, their levy payment will be capped at 2016 levels. New businesses to the BID zone or businesses who move during the course of the BID's second term will be subject to a levy based on the 2017 revaluation of non-domestic rates for that hereditament.
4. The number of properties or hereditaments liable for the levy is approximately 420.
5. The levy will be charged annually in advance for each chargeable period to be November to October each year, starting in 2017. No refunds will be made.
6. The owners of untenanted properties or hereditaments will be liable for payment of the levy. This includes listed buildings.
7. Charitable organisations that are subject to relief on their business rates liability will pay 0% of the levy that would otherwise apply if their registered office is within the BID area.

8. Durham County Council will be responsible for collection of the levy. The collection charge will be £12,000; this equates to £28.57 per hereditament and 4.1% of anticipated billed levy.

### Accountability and Transparency

1. The BID Body will be The Durham BID Company Ltd, a not for profit organisation, limited by guarantee.
2. The Directors of the BID (the 'Board') Shall be elected and meet monthly. The Board will have responsibility for governance matters such as financial arrangements, contractual obligations, human resources, standards and compliance.
3. The Board shall appoint a Chair.
4. Provided that the BID is meeting its overall objectives, subject to consultation it shall have the ability to vary service delivery and expenditure allocation according to the changing demands of levy payers. However, any change to the BID boundary or to the levy rate proposals would require an Alteration Ballot.
5. The Company shall meet with the Council, as the Billing Authority, quarterly to monitor service delivery, levy collection and financial management issues.
6. Levy paying businesses will be eligible to become Members of the BID Company.
7. The BID will file annual accounts compiled by independent accountants with Companies House. The accounts will be available to all levy payers. An annual report on activities, including finances, will be published. An Annual Meeting for Members and levy payers will be held.
8. An Operating Agreement, which includes the Council's Baseline service commitments, has been agreed with Durham County Council. A copy can be requested from the Durham BID Company Ltd.
9. Notification of the intention to hold a ballot was sent to the Secretary of State in December 2016.

### Finances

1. A cautious approach has been adopted to budgeting for the BID term.
2. A levy collection rate of 95% has been assumed. This reflects historic performance.
3. The average annual levy available to be spent by the BID for the term is £294,000.
4. A contingency provision on expenditure, together with the availability of reserves, provides for an anticipated contingency of £25,000 by the end of the term. This equates to 1.7% of levy drawn expenditure.
5. Operating costs of the BID are estimated as 17% of total expenditure.

### Definition

The term 'Renewal' means replacement of the existing BID at the end of its current term (October 2017) with new BID Arrangements covering the same area and subject to the rules and arrangements described herein.