



# Local Government Act 2003

## 2003 CHAPTER 26

### PART 4

#### BUSINESS IMPROVEMENT DISTRICTS

##### *BID arrangements*

#### **41 Arrangements with respect to business improvement districts**

- (1) A billing authority may in accordance with this Part make arrangements (“BID arrangements”) with respect to an area (a “business improvement district”) comprising all or part of the area of the authority.
- (2) The purpose of BID arrangements is to enable—
  - (a) the projects specified in the arrangements to be carried out for the benefit of the business improvement district or those who live, work or carry on any activity in the district, and
  - (b) those projects to be financed (in whole or in part) by a levy (“BID levy”) imposed on the non-domestic ratepayers, or a class of such ratepayers, in the district.

#### **42 Joint arrangements**

- (1) The Secretary of State may by regulations make provision for or in connection with enabling two or more billing authorities to make BID arrangements with respect to a business improvement district comprising all or part of the area of each of the authorities.
- (2) The provision which may be made by regulations under this section includes provision which modifies any provision made by or under this Part in its application to such arrangements.

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#### **43 Additional contributions and action**

- (1) The persons specified in subsection (2) may make financial contributions or take action for the purpose of enabling the projects specified in BID arrangements to be carried out.
- (2) Those persons are—
  - (a) the billing authority which has made the arrangements,
  - (b) a county council or parish council any part of whose area falls within the business improvement district, and
  - (c) any other person authorised or required to do so in accordance with the arrangements.

#### **44 Duty to comply with arrangements**

Where BID arrangements are in force, the billing authority which made the arrangements must comply with them.

#### *BID levy*

#### **45 BID levy**

- (1) BID levy is to be imposed in a business improvement district only for periods (“chargeable periods”) falling within the period in which BID arrangements are in force in respect of the district.
- (2) The length of any chargeable period, and the day on which it begins, are to be such as may be specified in the BID arrangements.
- (3) The amount of BID levy for any chargeable period—
  - (a) is to be calculated in such manner as may be provided in the BID arrangements, and
  - (b) may be different for different cases.

#### **46 Liability for BID levy**

- (1) BID arrangements must specify the description of non-domestic ratepayers in the business improvement district who are to be liable for BID levy for a chargeable period.
- (2) A person is to be liable for BID levy for a chargeable period if he falls within that description at any time within the period.
- (3) The amount of a person’s liability for BID levy for any chargeable period is to be determined in accordance with the BID arrangements.
- (4) Any amount of BID levy for which a person is liable is to be paid to the billing authority which made the arrangements.

### *Administration etc*

#### **47 BID Revenue Account**

- (1) A billing authority which has made BID arrangements must, in accordance with proper practices, keep an account, to be called the BID Revenue Account.
- (2) Amounts paid to the authority by way of BID levy must be credited to the BID Revenue Account.
- (3) Amounts are to be debited to the BID Revenue Account only in accordance with BID arrangements.
- (4) The Secretary of State may by regulations make further provision in relation to the BID Revenue Account.

#### **48 Administration of BID levy etc**

- (1) The Secretary of State may by regulations make provision with respect to the imposition, administration, collection, recovery and application of BID levy.
- (2) The provision which may be made by regulations under this section includes provision—
  - (a) corresponding to any provision which may be made by regulations under section 50 or 63 of, or Schedule 9 to, the Local Government Finance Act 1988 (c. 41) (joint owners or occupiers, death and administration of non-domestic rating);
  - (b) modifying or applying with modifications any provision made by regulations under any of those provisions.
- (3) Nothing in subsection (2) is to be taken as limiting the power conferred by subsection (1).

### *Procedure*

#### **49 BID proposals**

- (1) BID arrangements are not to come into force unless proposals for the arrangements (“BID proposals”) are approved by a ballot of the non-domestic ratepayers in the proposed business improvement district who are to be liable for the proposed BID levy.
- (2) The Secretary of State may by regulations make provision—
  - (a) as to the persons who may draw up BID proposals,
  - (b) as to the procedures to be followed in connection with the drawing up of BID proposals,
  - (c) as to the matters to be included in BID proposals, and
  - (d) as to the date which may be provided under BID proposals for the coming into force of BID arrangements which give effect to the proposals.

#### **50 Approval in ballot**

- (1) BID proposals are not to be regarded as approved by a ballot held for the purposes of section 49(1) unless two conditions are satisfied.

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- (2) The first condition is that a majority of the persons voting in the ballot have voted in favour of the BID proposals.
- (3) The second condition is that A exceeds B.
- (4) A is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted in favour of the BID proposals.
- (5) B is the aggregate of the rateable values of each hereditament in respect of which a person voting in the ballot has voted against the BID proposals.
- (6) For the purposes of subsections (4) and (5), the rateable value of a hereditament is that shown on the day of the ballot under section 42(4) of the Local Government Finance Act 1988 (c. 41).

## **51 Power of veto**

- (1) This section applies where BID proposals are approved by a ballot held for the purposes of section 49(1).
- (2) The billing authority to which the proposals relate may, in prescribed circumstances, veto the proposals within such period from the date of the ballot as may be prescribed.
- (3) In deciding whether to exercise the veto, a billing authority is to have regard to such matters as may be prescribed.
- (4) If a billing authority vetoes BID proposals, it must give notice of the exercise of the veto to the persons entitled to vote in the ballot.
- (5) The notice—
  - (a) must set out the reasons for the exercise of the veto, and
  - (b) must give details of the right of appeal under section 52.
- (6) A copy of the notice must be sent to the Secretary of State.

## **52 Appeal against veto**

- (1) Where a billing authority vetoes BID proposals, any person who was entitled to vote in the ballot may appeal to the Secretary of State.
- (2) The Secretary of State may by regulations make provision in relation to appeals under this section, including provision—
  - (a) as to the time by which an appeal is to be made,
  - (b) as to the manner in which an appeal is to be made,
  - (c) as to the procedure to be followed in connection with an appeal, and
  - (d) as to the matters to be taken into account in deciding whether to allow an appeal.

## **53 Commencement of BID arrangements**

- (1) This section applies where BID proposals are approved by a ballot held for the purposes of section 49(1).

- (2) The billing authority concerned must ensure that BID arrangements which give effect to the proposals are made by the time the arrangements are to come into force in accordance with this section.
- (3) Subject to subsection (4), the BID arrangements are to come into force on such day as may be provided under the BID proposals.
- (4) If the BID proposals are vetoed under section 51, BID arrangements which give effect to the proposals are not to come into force unless the Secretary of State allows an appeal against the veto under section 52.
- (5) Where the Secretary of State allows such an appeal, BID arrangements which give effect to the proposals are to come into force on such day as the Secretary of State may determine.
- (6) The day determined under subsection (5) must not be earlier than the day mentioned in subsection (3).
- (7) Before making a determination under subsection (5), the Secretary of State must consult—
  - (a) the billing authority concerned, and
  - (b) such persons as appear to him to be representative of the non-domestic ratepayers who are to be liable for the proposed BID levy.

#### *Miscellaneous*

#### **54 Duration of BID arrangements etc**

- (1) BID arrangements are to have effect for such period (not exceeding 5 years) as may be specified in the arrangements.
- (2) BID arrangements may be renewed for one or more periods each of which must not exceed 5 years, but only if the renewal of the arrangements on that or each occasion is approved by a ballot of the non-domestic ratepayers in the business improvement district who are liable for the BID levy.
- (3) The renewal of BID arrangements is not to be regarded as approved by a ballot held for the purposes of subsection (2) unless the two conditions in section 50 which apply to the approval of BID proposals are satisfied in relation to the renewal of the arrangements.
- (4) The Secretary of State may by regulations make provision—
  - (a) as to the alteration of BID arrangements, and
  - (b) as to the termination of BID arrangements.
- (5) The provision which may be made by virtue of subsection (4)(a) or (b) includes provision preventing or restricting the alteration or early termination of BID arrangements.
- (6) Nothing in subsection (5) is to be taken as limiting the power conferred by subsection (4).
- (7) No regulations under subsection (4) shall be made by the Secretary of State unless a draft of the statutory instrument containing the regulations (whether containing them

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alone or with other provisions) has been laid before, and approved by a resolution of, each House of Parliament.

## **55 Regulations about ballots**

- (1) The Secretary of State may by regulations make provision in relation to ballots.
- (2) The provision which may be made by regulations under this section includes provision—
  - (a) as to the timing of ballots;
  - (b) as to the non-domestic ratepayers entitled to vote in a ballot;
  - (c) as to the question to be asked in a ballot;
  - (d) as to the form that ballots may take;
  - (e) as to the persons who are to hold ballots;
  - (f) as to the conduct of ballots;
  - (g) conferring power on the Secretary of State to declare ballots void in cases of material irregularity;
  - (h) for or in connection with enabling a billing authority to recover the costs of a ballot from such persons and in such circumstances as may be prescribed.
- (3) Nothing in subsection (2) is to be taken as limiting the power conferred by subsection (1).
- (4) No regulations under subsection (1) which include provision of the kind mentioned in subsection (2)(b) shall be made by the Secretary of State unless a draft of the statutory instrument containing the regulations (whether containing them alone or with other provisions) has been laid before, and approved by a resolution of, each House of Parliament.
- (5) In this section “ballot” means a ballot held for the purposes of section 49(1) or 54(2).

## **56 Power to make further provision**

- (1) The Secretary of State may by regulations make such supplementary, incidental, consequential or transitional provision as he considers necessary or expedient for the purposes of, in consequence of, or for giving full effect to, any provision made by or under this Part.
- (2) The provision which may be made under subsection (1) includes provision amending any enactment (whenever passed or made).
- (3) No regulations under subsection (1) which include provision amending an Act shall be made by the Secretary of State unless a draft of the statutory instrument containing the regulations (whether containing them alone or with other provisions) has been laid before, and approved by a resolution of, each House of Parliament.

## **57 Crown application**

This Part binds the Crown.

## **58 Wales**

- (1) Sections 54(7), 55(4) and 56(3) do not apply in relation to Wales.

- (2) In their application in relation to Wales—
- (a) the remaining provisions of this Part have effect as if for each reference in those provisions to the Secretary of State there were substituted a reference to the National Assembly for Wales, and
  - (b) section 43(2)(b) has effect as if for the reference to a county council or parish council there were substituted a reference to a community council.

## **59 Interpretation of Part 4**

- (1) In this Part—
- “BID arrangements” and “BID levy” have the meaning given by section 41;
  - “billing authority” means—
    - (a) in relation to England, a district council, a unitary county council, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly; and
    - (b) in relation to Wales, a county council or county borough council;
  - “business improvement district” has the meaning given by section 41;
  - “enactment” includes an enactment contained in a local or private Act or comprised in subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30));
  - “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;
  - “prescribed” means prescribed by regulations made by the Secretary of State;
  - “unitary county council” means a county council that is the council for a county in which there are no district councils.
- (2) Other expressions which are used in this Part and in Part 3 of the Local Government Finance Act 1988 (non-domestic rates) have the same meaning in this Part as they have in that Part.