EXPLANATORY MEMORANDUM TO

THE BUSINESS IMPROVEMENT DISTRICTS (ENGLAND) (AMENDMENT) REGULATIONS 2013

2013 No. 2265

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations amend the Business Improvement Districts (England) Regulations 2004 to make provision for business improvement districts that cross local authority boundaries and to clarify the procedure where an authority proposes a business improvement district.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The Business Improvement Districts (England) Regulations 2004 ("the 2004 Regulations") make provision in relation to the establishment and operation of business improvement districts. This instrument amends those Regulations so that arrangements for business improvement districts can be made by two or more authorities and provides for the modifications that apply to Part 4 of the Local Government Act 2003 and the 2004 Regulations where joint arrangements are concerned. It also amends the provisions generally in relation to authority proposers of business improvement districts.

4.2 This is the first use of the power in section 42 of the Local Government Act 2003 (joint arrangements).

5. Territorial Extent and Application

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 A Business Improvement District is a partnership arrangement through which local authorities and the local business community can agree the charging of a levy on business rate payers in a defined area that is used to fund projects and services that will benefit the trading environment of that area.

7.2 Ratepayers that will be subject to the proposed levy decide and vote in a ballot on whether the Business Improvement District should go ahead. A Business Improvement District cannot proceed without being approved in the ballot. A successful vote is one that has a simple majority in votes cast and where the total rateable value of the properties of those voting in favour of the Business Improvement District is more than that of those voting against.

7.3 It has previously not been possible to promote a single Business Improvement District which crosses billing authority[1] boundaries. Where a Business Improvement District is proposed for an area which crosses authority boundaries separate Business Improvement Districts with separate ballots have had to be promoted.

7.4 The Government recognises that a local economic area may not fall within the geographical boundary of one billing authority and that it is unsatisfactory for separate Business Improvement Districts to have to be promoted. The requirement to promote and hold ballots in relation to entirely separate Business Improvement Districts to establish schemes applicable to areas which cross authority boundaries creates inefficiencies in implementation and delivery.

7.5 These Regulations, therefore, allow two or more authorities to make arrangements in relation to either the whole, or part, of their areas and set out how the provisions of the Local Government Act 2003 and the 2004 Regulations will apply where joint arrangements are involved.

7.6 These Regulations also clarify the procedures that must be followed where a billing authority proposes a Business Improvement District, in particular, to make it clear that general requirements for proposers of Business Improvement Districts to provide notifications or information to a billing authority will not apply.

7.7 The Regulations make no other changes to provisions relating to Business Improvement Districts other than minor updating amendments.

8. Consultation outcome

8.1 The amendments to processes in these Regulations are technical in nature. The Government held discussions with industry experts to ascertain what changes were necessary.

[1] See section 59 of the Local Government Act 2003 (2003 c.26).

9. Guidance

9.1 The Government provides information to authorities on the delivery of the policy changes through the usual method of Business Rates Information Letters which can be found at: https://www.gov.uk/business-rates-information-letters.

10. Impact

10.1 The legislation impacts on business, charities, voluntary bodies and the public sector in the same way as existing Business Improvement District regulations, except to allow single Business Improvement Districts to exist in more than one authority area. An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to small business. This legislation is intended to benefit the local trading environment. A Business Improvement District cannot proceed without being approved in a ballot of those potentially subject to the levy.

12. Monitoring & review

12.1 The Government will monitor and review the impact of the measure in the usual course of business.

13. Contact

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