

Euston Town (ET) BID: Arrangements 2016-2021

BID Costs & Benefits

The Business Improvement District (BID) proposed programme is funded through a levy collected with the Uniform Business Rates (UBR), to be paid by occupiers (or for empty properties the owners) of property in the Euston Town BID area whose Rateable Value is in excess of £70,000.

The BID programme was developed to meet the needs and expectations of local businesses and to provide solutions to recognised issues affecting Euston Town's public realm.

Euston Town was also guided by the principle that the overall programme must:

- Produce demonstrable returns and results for Euston Business Ratepayers
- Provide good value for money
- Have a low risk of failure (to be achieved by ensuring that programmes have been tried and tested by ET, or other respected bodies, and are known to achieve the desired outcomes)
- Be financially prudent
- Be affordable to the eligible non-domestic ratepayers in Euston Town.

In accordance with these principles, Euston Town is presenting a programme of activities which in the first year will cost approximately £430,000.

In order to raise this amount of money the BID Company proposes to charge a compulsory BID levy equivalent to 1% of the 2010 Rateable Value in the first year. The BID levy will thereafter increase by a figure determined by the board but restricted by the Retail Price Index plus 1%. Pending any rate reviews within the BIDs 5 year period will also be used to recalculate BID levy (subject to "the closed year rule").

Euston Town expects to raise additional funding in the form of voluntary contributions and grants from property owners, small occupiers and charitable organisations.

Arrangements 2016-2021

This section outlines the arrangements for the Euston Town (ET) BID, the rules of the BID and Operational and Financial Information.

The “Local Government Act 2003” and “The Business Improvement Districts (England) Regulations 2004” detail a number of regulations and guidelines for any organisation that intends to establish, renew or alter a BID. The organisation must produce a “BID Proposal” that incorporates arrangements which will determine where, when and how the BID operates, what the BID intends to do, who will be responsible and how they will be accountable to their electorate”.

Regulation 4 (1) deals with BID proposals and states that: “BID proposals shall include the matters mentioned in paragraphs 1, 2 and 3 of Schedule 1”

In this section the items required in the BID proposals by Schedule 1 of the BID regulations are set out in sequence as they appear in Schedule 1 on the BID regulations:

1(1)(a) requires, “a statement of the works or services to be provided, the name of who will provide them and the type of body the provider is”.

The works and services to be provided by the Euston Town BID are set out in our BID Proposal, the services are split into four programmes:

- a) Improve the Environment for Business
- b) Drive Down Costs
- c) Advocate and Lobby for Business Interests
- d) Deliver a High Street that Excites and Delights

Euston Town BID Board and Management Structure

In the event of a successful ballot the current Euston BID’s steering board shall hold a special AGM to decide the best legal and governance structure to support the Euston Town BID Proposal.

Camden Town Unlimited BID team shall preliminarily deliver and support the Euston Town Proposal until a review by the Euston steering board who will decide upon the best management and governance structure to deliver their proposal at a special AGM.

The Memorandum & Articles of Association can be found on our website at www.eustontown.com.

Service Provision and Delivery

Camden Town Centre Limited (Trading as Camden Town Unlimited) will initially be the implementing agent for the Euston Town BID and will provide or manage all of the works and services until the Euston Town BID board decide upon the best service provisions and delivery. Euston Town is a Company Limited by Guarantee (Registered Number: 9746592 England) and was set up to implement and operate a Business Improvement District in the specified area of Euston to make it a better place to work, live and visit. 1(1)(b) requires, “a statement of existing baseline services (if any) provided by the relevant billing authority or other public authority”.

The current Baseline Service in Euston BID area can be found www.eustontown.com. Baseline Agreements for these services have been drafted and will be entered into by Euston Town and the London Borough of Camden.

BID Alterations: proposed for ballot

The following changes to the Euston Town area will come into force if approved by businesses eligible to vote in the BID ballot in February 2016:

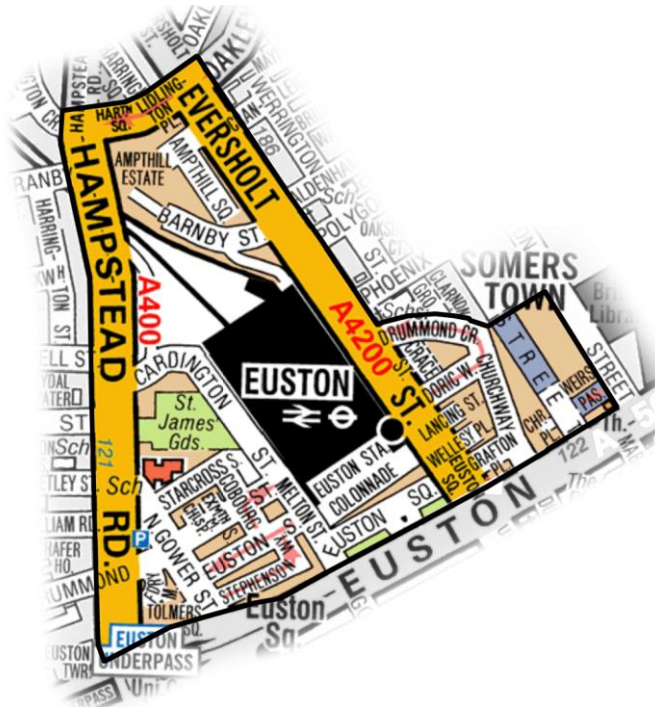
- the use of the new RV list in place of the 2010 RV list for BID levy calculations as and when this is available from central government
- a possible increase in the threshold from £70,000 to a higher threshold if deemed necessary to maintain current BID membership by the board pending a rate review from central government

These changes will not require further approval or alteration if a majority vote in favor of the BID as they are already disclosed in the 2016 ballot proposal, according to the Business Improvement District (England) Regulations 2004.

Streets within the Euston Town BID Area

1(1)(c) requires, “a description of the geographical area (including a map showing that area) in which the proposed BID arrangements are to have effect”.

The area to be covered by the BID is the geographical area highlighted in the map below:



and shall comprise all streets mentioned below as well as any new streets that may subsequently be created in the area and hereditaments currently entered in the rating list for that identified area, or that may be entered in the future.

BID Area Street List:

Street List	Part or Full	Start (inclusive)	End (inclusive)
Chalton Street (partial)	Part Street	1	60
Drummond street (partial)	Part Street	93 (road start)	163
Drummond Crescent	Part Street	Even Numbers	Even Numbers
Euston Road (partial)	Part Street	112	250
Hampstead Road (partial)	Part Street	40	142
Barnby Street	Full Street		
Cardington Street	Full Street		
Churchway	Full Street		

Cobourg Street	Full Street		
Doric Way	Full Street		
Euston Square	Full Street		
Euston Station	Full Street		
Euston Street	Full Street		
Eversholt Street	Full Street		
Foundry Mews	Full Street		
George Mews	Full Street		
Grafton Place	Full Street		
Lancing Street	Full Street		
Melton Street	Full Street		
North Gower Street	Full Street		
Regnart Buildings	Full Street		
Starcross Street	Full Street		
Stephenson Way	Full Street		
Tolmer's Square	Full Street		
Wellesley Place	Full Street		

1(1)(d) requires, “a statement of whether all non-domestic ratepayers in the geographical area or a specific class of them are to be liable to the BID levy, an explanation of how the amount of the BID levy to be levied is to be calculated and an explanation of whether any of the costs incurred in developing the BID proposals, holding the ballot or implementing the BID are to be recovered through the BID levy...”

All non-domestic ratepayers, either occupying property, or if unoccupied, owning property in the BID area as defined above in response to point 1(1)(c) of Schedule 1 of the BID regulations, and having a Rateable Value of £70,000 or above in the 2010 Rating List and any subsequent ratings list, will be liable to the BID levy daily charge. However, said ratepayers will not be liable for the said charge for any day, during the BID levy period where the rateable value of the relevant hereditament is below £70,000; subject to the “closed financial year rule”.

Liability – Additional clarification:

Persons liable to the levy will be any “Rate Payer” as set out in section 59 of the Local Government Act 2003, [Interpretation of Part 4]. Section 59 clarifies the meaning by stating “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.”

For the purposes of non-domestic rating, the London Borough of Camden interprets the owner of a hereditament or land as per the definition in section 65(1) of the Local Government Finance Act 1988. This states that “the owner of a hereditament or land is the person entitled to possession of it”. A similar definition exists in Schedule 4A of the Local Government Finance Act 1988 at paragraph 10(b) for unoccupied properties.

BID levy liability shall only be applicable to the extent of which the hereditament and its ratable assets are within the BID boundary. In the possible case of ratings being across the BID boundary the section outside the designated BID may be provided a discretionary relief to reflect the physical presence within the BID boundary decided by the board.

List of Liable Rate Payers at BID commencement:

The list of non-domestic ratepayers liable to the BID levy will be set and available following formal notification of the ballot. The BID Company, Euston Town, will be able to provide, on request, a list of all hereditaments that would be liable to the BID levy as at 18th of Dec 2015. But please note that this list will be updated with any changes to the billing authority’s rating list between 18th Dec 2015 and the formal notification of the ballot and that any new, refurbished or reconstituted hereditaments subsequently entered into the rating list after the BID commencement date shall additionally also become liable to the BID levy so long as other relevant criteria within this document are also met.

Businesses which begin to occupy existing hereditaments in the period between notification of the ballot and commencement of the BID, or during the five-year BID period will be liable to pay the levy for their period of occupation, providing the hereditament remains eligible for BID membership.

The BID levy will be extended to occupiers of hereditaments built or first occupied in the BID area in the period between notification of the ballot and commencement of the BID and during the life of the BID, assuming that they are otherwise eligible.

Rating List and Rateable values to be used in the BID

For the purposes of the BID, the 2010 rating list will be used to calculate the individual levy charges for each liable ratepayer, for the entirety of the BID period notwithstanding the introduction of any new rating lists, subject to the “closed financial year rule”.

Financial year

For the purposes of the BID, a financial year is a period of 365 days (or 366 days in a leap year), commencing 1st of April and ending 31st of March inclusive.

Closed Financial Year Rule

The BID will operate a variable rateable value system within each “current” financial year, in effect ensuring that the BID levy charge is adjusted between the 1st of April and 31st of March in line with any rateable value schedules issued by the valuation office for the same period. However, once the end of the financial year is past (i.e. the 31st of March), the BID will ignore any subsequent rateable value schedules altering the rateable value list retrospectively for the BID area and will apply the changes to the financial year in which the rateable value schedule was received only, if applicable. This will mean that no rebates will be given for reductions other than those that occur in the financial year itself, and likewise no increases in BID levy charge will also occur retrospectively once a BID financial year comes to an end.

The above concept will also apply to properties that may be removed from the list or added to the list retrospectively, and will also apply to splits or mergers.

One exception is where rate payers become known to be liable BID payers after the commencement of the BID and potentially after the end of the relevant financial year and where rate payers cease to be liable BID payers but liability is not adjusted until after the end of the financial year. In these scenarios, liability will be adjusted accordingly and either demand notices issued for payment or refunds given as appropriate.

The Levy Multiplier & Charge

For the financial year 2015/16 the BID levy multiplier will be total services costs divided by total levy collected.

The daily BID levy charge for each individual ratepayer is to be calculated by multiplying its rateable value by the BID multiplier specified for the financial year and dividing the result by the number of days in the financial year.

Procedural Arrangements

The BID charge is a daily charge based on rateable value. It is to be paid in full in advance, the due payment date being the 1st of April of the relevant financial year unless the BID payer liable for the charge was not so liable until a later date, in which case the BID payer liable will be expected to pay in full the charge to the

end of the financial year, within 14 days of a demand notice being served on them.

Recovery & Enforcement

The non-payment of the BID charge will be strongly pursued via all available enforcement options. This will include: the preparation, issuing and serving of summonses at a minimum cost to the BID payer of £150 per summons case (or any other figure that the local authority may adopt in consultation with the relevant court or courts); the use of bailiffs; committal action; insolvency action and County Court action. All of these actions may incur additional costs for which the BID payer will be liable.

Costs Incurred in Developing BID Proposals, Holding Ballot and Implementing the BID:

The costs incurred in developing the BID Proposal, holding the BID ballot and implementing the BID are not to be recovered through the BID levy. This preparatory work has been funded by the Mayor of London. The BID levy charge will only be used to fund the improvement programmes from April 2016 - March 2021, as set out in the BID Proposal.

1(1)(e) requires, “a statement of the specified class of non-domestic ratepayer [if any] for which and the level at which relief from the BID levy is to apply”.

Any hereditaments or ratepayers qualifying for mandatory rate relief will receive relief on the BID levy at the same rate. No further relief will be given to these hereditaments/ratepayers, whether or not they qualify for further discretionary rate relief from Camden Council. Hereditaments/ratepayers benefiting from discretionary rate relief alone will receive no relief on the BID levy.

Furthermore there is to be no distinction made between occupied or unoccupied hereditaments, either occupancy status attracting the full BID levy.

1(1)(g) requires, “a statement of the duration of the BID arrangements”.

The BID arrangements will apply for a total period of 5 years. (1)(h) requires, “a statement of the commencement date of the BID arrangements”. The commencement date of the BID arrangements will be 1st April 2015.

The Ballot - *Conduct of the Ballot*

- The BID scheme will only be implemented if it is approved in a ballot. A successful ballot will have to meet two tests. First a simple majority of those voting must vote in favour. Second, those voting in favour must represent a majority of the aggregate rateable value of the hereditaments (rateable properties) voting.
- A ratepayer shall be entitled to vote in the BID ballot if, on the date the ballot holder publishes the notice of the ballot, he falls within the class of non-domestic ratepayers to be liable for BID levy described above.
- The ballot shall be a postal ballot and will be secret.
- Each person entitled to vote in the BID ballot shall have one vote in respect of each eligible hereditament occupied or (if unoccupied) owned by him/her in the geographical area of the BID.
- Any one person is capable of being appointed proxy to vote for another in a ballot and may vote in pursuance of the appointment. An application to appoint a proxy must be received by the ballot holder before 5pm on the tenth day before the day of the ballot (by 16th February 2015).
- The day on which the ballot closes will be at least 4 weeks after the date on which the ballot papers are sent out to ratepayers. All votes must be received by 5pm on the last day of the ballot.
- The ballot paper shall include the wording 'Are you in favour of the Business Improvement District proposals?' a YES/NO indication and the addresses of the hereditaments for which the person is voting. It shall also include the signature of the person voting and a declaration that they are entitled to vote in respect of the named hereditament(s).
- When the result of the ballot has been determined, the ballot holder shall notify Euston Town, the Secretary of State and Camden Council of the result. He/she shall also publish the result and give the number of total votes for and against including rateable value weighting.
- The person who holds the BID ballot shall be the person the billing authority has appointed under section 35 of the Representation of the People Act 1983 (7) as the returning officer for elections to that authority.

Declaring a ballot void

- The Secretary of State may declare void the BID ballot if it appears to him that a material irregularity has occurred. 'Material irregularity' means:
 - a) A contravention of any requirement of the BID Regulations, which, in the Secretary of State's opinion, means it is likely that voting in the BID ballot has been affected to a significant extent by the contravention.
 - b) Persons other than persons entitled to vote have purported to vote in the ballot and, in the Secretary of State's opinion; it is likely that the result of the BID ballot has been affected to a significant extent.
 - c) Persons entitled to vote have been prevented from voting or hindered from doing so freely in accordance with their own opinion and, in the Secretary of State's opinion, it is likely that the result of the BID ballot has been affected to a significant extent.

- The ballot shall not be declared void unless, by the date which is 28 days after the notice of the result is published pursuant to paragraph 15 of Schedule 2, a person ('the complainant'), being a) the BID proposer, b) at least 5% of the persons entitled to vote in the BID ballot or c) the billing authority, has made a request (by notice given in writing) to the Secretary of State to exercise his powers to declare the ballot void, specifying the reason for such a request.

- The Secretary of State shall notify the complainant, the BID proposer and the billing authority of his decision and where he declares void the BID ballot he shall notify the relevant billing authority requiring it to arrange for a re-ballot or, as the case may be, a further re-ballot.

Inspection of billing authority records and restrictions on use

- The billing authority has drawn up a list showing the name of each non-domestic ratepayer and the address and rateable value of each hereditament which is occupied, or (if unoccupied) owned, by him in the geographical area to which the BID relates. Any person or group of persons who together represents 5% of more of the persons who are to be liable for the proposed BID levy may request the billing authority to supply the information contained in this list.

- The billing authority shall make available for inspection a copy of the information in the list referred to above at its offices during normal working hours to any person provided the authority is satisfied the person will use the information for either a) developing BID proposals or b) canvassing persons entitled to vote in relation to the BID ballot. No person may disclose to any person any information contained in this list or make use of this information otherwise than for the purposes mentioned above.

Alteration of the BID arrangements

1(1)(f) requires, “a statement of whether the BID arrangements may be altered without an alteration ballot and if so, which aspects of the BID arrangements may be altered in this way”.

BID arrangements may be altered without an alteration ballot as long as there is no proposal to alter the geographical area of the BID.

The BID arrangements may also be altered without an alteration ballot in the following instances:

- The BID multiplier/poundage will increase each financial year by the Retail Price Index (RPI) plus 1%, determined by the board, starting 12 months after the BID commencement date. It is to be calculated by multiplying the original figure, (as set out in the above response to Schedule 1(1)(d) of the BID Regulations), the relevant RPI percentage increase plus 1%, and taking the answer to the first 3 decimal places, the latter digit always benefiting from rounding upwards if it is equal or greater than 5.
- The streets and hereditaments to be included in said BID area may change due to changes in the relevant billing authority’s local list. Hereditaments may be additionally included if their rateable value, at any time during the BID period, exceeds £70,000 or they are newly added to the local list and the rateable value threshold criteria [as set out in the above response to point 1(1)(d) of schedule 1 of the BID regulations] is exceeded.
- Hereditaments may also be excluded from the BID area and BID levy charge in cases where the billing authority amends the local list and either removes hereditaments from the list or alters the rateable value to below £70,000. Where this occurs, such amendments will either be effected as per the date on the billing authority’s schedule, or if this date predates the beginning of the financial year in which the change is being made, the 1st of April of the relevant financial year in which the billing authority implements the change.

Termination of BID arrangements

- The BID company may terminate the BID arrangements where –
 - a) the works or services to be provided under the BID arrangements are no longer required.
 - b) the person implementing the BID arrangements is unable, due to any cause beyond its control, to provide works or services which are necessary for the BID to continue provided that it has consulted with the billing authority.
- The BID company shall notify the billing authority of its intention to terminate the BID arrangements at least 28 days before the date of the termination. Where BID arrangements are terminated under this regulation the relevant billing authority shall as soon as reasonably practicable give notice of the termination to each person liable for BID levy and the notice shall include an explanation of whether a repayment is due.

Euston Town BID Operational & Financial Management Arrangements

This is the outline of Euston Town's BID Operational and Financial Management Arrangements:

1. An Operating Agreement between Euston Town and the London Borough of Camden has been drafted and will be entered into and can be found www.eustontown.com. The Operating Agreement sets out how the BID levy is to be collected and administered by the London Borough of Camden for the BID services. It also specifies how the collection of the levy and the BID programmes will be monitored through monthly meetings between representatives of the Euston Town BID Board and representatives of the London Borough of Camden.
2. The ET governing board will approve in advance an annual budget for the Camden Town BID for each financial year.
3. The Euston Town BID Company will not be able to operate in deficit or incur liabilities that come into effect after the operational period e.g. after 2012.
4. The Euston Town BID will provide information on its finances to the Billing Authority frequently (subject to review at the end of Year 1), according to the demands of the Billing Authority. This shall be set up as specified in the Operating Agreement.
The BID company shall provide the council with the following details:
 - the total amount of BID levy received
 - the total amount of income received from the contributors (excluding the BID levy)
 - the total expenditure during that 3-month period
5. The Euston Town BID will produce annual accounts for each financial year that are independently audited and publicly available to all BID levy payers and the Billing Authority. These will be presented at the Euston Town BID Company's "Annual General Meeting".
6. At the end of each financial year any surplus or unspent income is to be rolled over to the next financial year to provide an approved contingency reserve for that financial year. How this money should be allocated to be discussed by BID Board.
7. A redistribution of funds among projects that amounts to more than 10% of total annual programme budget will require full Euston Town BID Board Approval.

8. A “Slippage Rate” – that takes into account potential fluctuations in Rateable Values that come about due to appeals, deletions from the rating list etc, requires the Euston Town BID to budget for this contingency. On advice from the local authority the “Slippage Rate” is unlikely to exceed 7% of the BID levy rateable value base for Camden Town’s hereditaments within a financial year. A 7% contingency is therefore built into the BID levy rateable value base which affects BID levy income projections.

9. 10% of the collected funds are to be held back by the billing authority between April and September and 5% between October and March to allow for refunds and fluctuations. The balance of this amount retained by London Borough of Camden is to be transferred to the BID Company Accounts by month 10 of the financial year minus the authority’s fee for collection.

10. The London Borough of Camden’s Business Rates Division is to be given the role of billing authority for the Euston Town BID and will be responsible for billing and collection (including legal enforcement) of the BID levy. The Local Authority does not set the BID levy; it simply collects and administers it for the BID company services. This service is governed by a “Service Level Agreement” (available on request from the ET office) and paid for at the agreed rate from the BID levy income.

11. The minimum estimated collection rate of the BID levy is 95%. The billing authority will use its full legal powers provided by legislation to enforce payment. If necessary, the billing authority shall instigate Court action as required

12. The cost of collecting the BID levy will be absorbed by the BID Company, this will be a pro-rata payment paid to the London Borough of Camden Business Rates Department and will be a £34 per eligible hereditament in the BID area.

13. The Baseline Agreement between the Euston Town and the London Borough of Camden’s Business Rates Division specifies that the funds collected for the BID Company Services are transferred from the Local Authority to the Euston Town BID bank account within a maximum 21 days, with likely payment with 14 days of the issuance of an invoice for BID levy funds to the London Borough of Camden from the Euston Town BID.

14. Service Level Agreements will be agreed and issued to all those who deliver services on behalf of the Euston Town BID company. The Service Level Agreements will establish a baseline and detail improvements or performance indicators that the contractor will be required to meet. These can be found on the www.eustontown.com website.

EXAMPLE OF HOW MUCH THE BID LEVY WILL COST A TYPICAL BUSINESS IN EUSTON

Joe Bloggs, Chiropodists, 125 - 133 Hampstead Road

In 2010 an independent property valuer, working on behalf of the government, assessed the rental income that they believed that property 125 - 133 Euston High Street, could earn in the open market in an average year. This valuation formed the Rateable Value of the property for the period 1st April 2010 to 31st March 2015. This exercise is due to be repeated during 2015 to assess the Rateable Value of the property for the period from 1st April 2017.

Business Rates are calculated by charging a multiplier (also known as the Uniform Business Rate or rate in the pound) to the Rateable Value of the Property. The equation used to set the annual business rate charge is: Rateable Value x multiplier. The present Rateable Value of 125-133 Euston High Street is £70,000. The government set the 2010-11 multiplier at 41.4p. Therefore, Joe Bloggs Chiropodists business rate bill for 2010-11 is calculated as follows:

£70,000 X 0.414= £28,980.

Joe Bloggs Chiropodists is now being asked to consider agreeing to establish a BID in Euston and thereby support an additional BID Levy charge of 1%, in order to pay for improvements to Euston. This would (based on the £70,000 Rateable Value of the property they occupy) mean that Joe Bloggs Chiropodists are asked to agree to a charge of £700 per annum on top of their present business rate bill. Any business can work out the cost of the Camden Town BID to them by applying the following formula:

Rateable Value X 0.01 = BID Levy Amount