

**EXPLANATORY MEMORANDUM TO**  
**THE BUSINESS IMPROVEMENT DISTRICTS (GENERAL) REGULATIONS**  
**(NORTHERN IRELAND) 2014**

**S.R. 2014 No. 143**

**1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Sections 2,10,14,15,16,17 and 18 of the Business Improvement Districts Act (Northern Ireland) 2013 and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1. The Business Improvement Districts Act (Northern Ireland) 2013 introduced provisions to allow for statutory Business Improvement Districts (BIDs) in Northern Ireland and provided a general legislative framework for a BID scheme. The Statutory Rule will support the introduction and establishment of BIDs and prescribes those matters that must be included in developing and implementing a BID. It allows for BID proposals to be innovative and to address the particular needs and problems of the local area.

**3. Background**

- 3.1. BIDs are an excellent opportunity for local businesses to work with their local council in having a say in what additional services or amenities their own area needs to attract more business, and providing those through funding from a BID levy – a way for traders help themselves. The most famous example of a BID is Times Square in New York. The BID levy revenue is the core funding for the BID area. It will be a matter for each business-led partnership to determine the amount of levy to be applied to each business and the overall resources available to spend in the BID area. Typically in other areas of the UK the BID levy is approximately 1% - 2% of the rateable value of the business property.
- 3.2. Examples of what a BID might fund include marketing and promotion, such as fairs or other events, loyalty schemes, improved waste management and recycling, safety and security measures such as CCTV or safety wardens, collective purchasing, environmental improvements such as tree planting or adding some new flower beds, or additional street cleaning, such as chewing gum removal. Basically, the scheme delivers what businesses want it to deliver.
- 3.3. Legislation enabling the formation of BIDs was passed in England and Wales in 2003, (with subsequent Regulations published in 2004 and 2005 respectively) and in Scotland and the Republic of Ireland in 2006 (Regulations in 2007). To date, there are approximately 150 BIDs in the UK, mainly in England and Scotland. The introduction of the Business

Improvement Districts Act (Northern Ireland) 2013 and this Statutory Rule brings us in line with both the other UK jurisdictions and the Republic of Ireland.

- 3.4. The Statutory Rule regulates the various stages that a BID scheme must undergo before it is put in place. It is essential that the BID body involves the district council from the outset, gathers the relevant information needed to produce robust BID proposals, including a well thoughtout Business Plan, and consults with the local business community. Procedures on all of these issues are contained in the Statutory Rule. In addition, administrative and appeal safeguards are in place to ensure the BID ballot goes ahead fairly.

#### **4. Consultation**

- 4.1. The proposed Statutory Rule (along with the draft affirmative Statutory Rule on provision of rating data and power of veto) was consulted on during a 12 week period from 17 June to 6 September 2013. In addition, an informal consultation meeting with representatives from some councils was held on 28 May 2013. The consultation sought views on 5 specific topics and also provided the opportunity for respondents to make any other comments they had on the Statutory Rules. The consultation responses indicated broad support for the Statutory Rules, although some small amendments were made to the original draft Statutory Rule on the basis of some of the points raised.

#### **5. Equality Impact**

- 5.1. In 2010, in accordance with its duty under Section 75 of the Northern Ireland Act 1998, the Department conducted a screening exercise on the policy proposals upon which this Statutory Rule is based. Views and comments were sought on any relevant equality issues during the policy consultation which ran from 1 December 2010- 28 February 2011. There were no equality issues raised. The Department concluded that the proposals would not have significant implications for equality of opportunity and therefore considered that an Equality Impact Assessment was not necessary.

#### **6. Regulatory Impact**

- 6.1. The Department conducted a preliminary Regulatory Impact Assessment on the policy upon which this Statutory Rule is based and concluded that the proposals will not have a disproportionate impact on businesses, charities, social economy enterprises or the voluntary sector. BID projects will be funded directly by local businesses and other organisations and this will only occur if they agree thorough a ballot that the BID should be established. Therefore this Statutory Rule does not require a Regulatory Impact Assessment.

#### **7. Financial Implications**

- 7.1. Once established, the primary source of funding for the BID is the revenue raised through the BID levy. However, over time, most BIDs are also able to access additional funding through a range of public, private and voluntary sources. This increases the overall funding revenue for project

delivery, expanding the scope and scale of the BID activities that can be achieved. There is no requirement, however, within the Statutory Rule to seek to secure such additional support.

## **8. Section 24 of the Northern Ireland Act 1998**

8.1. The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that the Statutory Rule is not incompatible with any of the Convention Rights or Community law, does not discriminate against any person or class of person on the grounds of religious belief or political opinion and does not modify any enactment in breach of section 7 of that Act.

## **9. EU Implications**

9.1. Not applicable.

## **10. Parity or Replicatory Measure**

10.1. The Statutory Rule is broadly in line with those produced in England, Scotland and Wales where many BID schemes have already been established, although some changes to reflect our specific circumstances were necessary.

## **11. Additional Information**

11.1. Not applicable.