

*These notes refer to the Business Improvement Districts Act (Northern Ireland) 2013 (c.5) which received Royal Assent on 21 March 2013*

# Business Improvement Districts Act (Northern Ireland) 2013

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## **EXPLANATORY NOTES**

### **BACKGROUND AND POLICY OBJECTIVES**

3. The Business Improvement District Act (Northern Ireland) 2013 introduces provisions to allow for statutory business improvement districts (BIDs) in Northern Ireland and provides a general legislative framework for the BID scheme, with the detail of the scheme to be introduced through secondary legislation.
4. BIDs legislation is already in place in England, Wales, Scotland and the Republic of Ireland. The concept originated in America and experience has shown that the BID model has the potential to bring about an improved business environment and improved economic growth. Proposals for Northern Ireland BIDs have been informed by legislation and practice in other parts of the UK and Ireland.
5. Failure to introduce BIDs legislation would have meant that those who wish to establish BIDs would have to rely on informal or voluntary financial arrangements. Experience has shown that this can be problematic and lead to difficulties in raising sufficient finance to support schemes.
6. In broad terms, the Act:
  - Allows a district council to define a BID within its council area or in cooperation with a neighbouring council;
  - Requires a district council to set up a ring-fenced BID Revenue Account to hold funds raised by the local levy;
  - Requires that BID proposals be formally compiled and put to a vote via an official ballot;
  - Specifies those entitled to vote in the ballot (non-domestic rate payers within the proposed BID area);
  - Specifies the conditions for approval of a ballot. The interests of large and small businesses are to be protected by a voting system which requires a simple majority in both votes cast and rateable value of votes cast plus a minimum 25% turnout (by number and rateable value) in

order to be successful. BID proposers in a given area may specify that they wish to set a higher threshold;

- Allows a district council to veto BID proposals in certain exceptional circumstances (e.g. if proposals are considered to significantly conflict with existing council policy or if they are likely to impose a disproportionate financial burden). In the event of a council exercising this veto, the BID proposers would be able to appeal to the Department;
  - Specifies the maximum timeframe (five years) for BID arrangements to operate before needing to be resubmitted to a ballot.
7. Many of the provisions in the Act provides for the later introduction of statutory rules. It is largely through these instruments that the detail of what is required legislatively, to underpin the introduction of BID arrangements, will be put in place. The Department's intention is to allow maximum flexibility within the general framework provided for in primary legislation, in order that the scheme can be adapted to suit local needs.