

**EXPLANATORY MEMORANDUM TO THE  
LOCAL AUTHORITIES (CONTRACTING OUT OF BID LEVY BILLING,  
COLLECTION AND ENFORCEMENT FUNCTIONS) ORDER 2004**

**2004 No.**

**1.** This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

**2. Description**

This Order makes provision to enable a billing authority in England and Wales to authorise other persons to exercise functions relating to the administration and enforcement of the BID (Business Improvement District) levy.

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

None.

**4. Legislative Background**

This Order is being made under the powers in sections 70 and 77 of, and Schedule 16 to, the Deregulation and Contracting Out Act 1994.

**5. Extent**

This instrument applies to England and Wales.

**6. European Convention on Human Rights**

Not applicable.

**7. Policy background**

7.1 The Local Government Act 2003 provides the primary legislative framework for the establishment of Business Improvement Districts (BIDs) in England and Wales. Regulations governing the setting up and maintenance of BIDs in England (The Business Improvement Districts (England) Regulations 2004) came into force on 17 September 2004.

7.2 BIDs allow local authorities and businesses to work together to put in place projects to improve local areas. Businesses have the opportunity to agree on the projects for which they would contribute and to vote in a ballot on the amount of money such projects would entail. Projects are financed by a BID levy on the non-domestic ratepayers, or a class of such ratepayers, in the BID area.

7.3 Regulation 15 of, and Schedule 4 to, The Business Improvement Districts (England) Regulations 2004 make provision with respect to the imposition, administration,

collection, recovery and application of the BID levy. These are based on the rules for the non-domestic rates in the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 and the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1989.

- 7.4 Billing authorities already have powers to contract out the collection and enforcement functions for non-domestic rates, through the Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996. This Order gives authorities similar powers in respect of the BID levy.

## **8. Impact**

A Regulatory Impact Assessment has not been prepared for this instrument as it will have no impact on business, charities or voluntary bodies.

## **9. Contact**

Rob John at the Office of the Deputy Prime Minister (Tel: 020 7944 4223 or e-mail: Rob.John@odpm.gsi.gov.uk) can answer any queries regarding the instrument.