



BID LEVY - SERVICE CHARGE DISCOUNT POLICY

This document supplements and clarifies the references made to the service charge discount in the Christchurch BID Business Plan (available from www.christchurchbid.co.uk).

The Christchurch BID Business Plan is the document upon which the proposal for a BID was made and adopted, by vote, by the prospective levy payers of the BID area.

This policy makes clear the intended meaning in the Business Plan and which is to be applied by the Board of Directors. In particular the scope and meaning of the terms 'managed centre' and 'service charge' in respect of the levy rate applicable to any hereditament is made clear below.

For a hereditament to be considered to be part of a Managed Centre, it must be one that sits with others in a group (a single block or development) having a common landlord. Such levy payers may be entitled, according to the conditions below, to a discounted levy rate of 1.3% (standard levy rate is 1.75% of rateable value).

A 'service charge' payable by a levy payer to a landlord may well include a contribution to costs such as cleaning, and maintenance of shared areas (eg hallways, kitchen, toilets) and security/safety features such as fire extinguishers, alarm maintenance and the like. None of such-like costs are provided by the BID so that the BID levy is not a duplication of any part of the 'service charge'.

However a 'service charge' may also include for the provision of additional services aimed at promoting footfall and so forth to the 'managed centre'. This might, for example, include provision of planted hanging baskets or other means of marketing the businesses to a wide audience. Where such activities are clearly a duplication of and replace BID activity (and therefore a duplicated charge is evident) then those hereditaments would be considered for entitlement to the service charge discount.

The service charge discount referred to in the BID Business Plan will be allowed to businesses in managed centres that pay a 'service charge' to their landlord, used in whole or in part, to provide services that the BID would otherwise or also provide. A business able to provide evidence that they meet these particular conditions will be considered for the discounted rate by the Directors of Christchurch BID and for a refund of any overpayment made in the current billing year (no refund would be provided for any previous year).

The Board's power to decide on such entitlement is absolute and final, as detailed in the BID Business Plan.

Information Footnote:

The Christchurch BID Business Plan provides details regarding the service charge discount as follows:

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Please note that any tenant of a managed centre, who are subject to a service charge, would pay a reduced rate of 1.3% to reflect the fact that their service charge covers some of the services which would be provided by the BID. This would be the case for tenants of Saxon Square Shopping Centre for example.

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Any tenant of a managed centre who are subject to a service charge would pay a reduced rate of 1.3% to reflect the fact that their service charge covers some of the services which would be provided by the BID. In the event of any queries regarding this status, the BID Board would make the decision.

Further Guidance

The sole managed centre in the Christchurch BID area recognised as qualifying for the discounted levy rate is Saxon Square Shopping centre. The service charge made to tenants supports marketing both of the businesses there and of Christchurch as a destination.