

Dated 7th March

2022

**THIRD
OPERATING AGREEMENT**

**LORD MAYOR AND CITIZENS OF
THE CITY OF WESTMINSTER (the "Council")**

- and -

**HEART OF LONDON BUSINESS ALLIANCE (the "BID Company")
(Piccadilly and St James)**

Contents

1	Definitions
2	Statutory Authorities
3	Commencement
4	Setting the BID Levy
5	The BID Revenue Account
6	Administrative Charges and District Auditor's Costs
7	Collecting the BID Levy
8	Procedures available to the Council for enforcing payment of the BID Levy
9	Enforcement Mechanisms in the event that the Council fails to enforce collection of the BID Levy
10	Accounting Procedures and Monitoring
11	Confidentiality
12	Notices
13	Miscellaneous
14	Exercise of the Council's powers
15	Contracts (Rights of Third Parties)
16	Arbitration

Schedule 1 The BID Area Map

Schedule 2 The BID Levy Rules

OPERATING AGREEMENT

THIS DEED is made the 7th day of March 2022

BETWEEN

- (1) **LORD MAYOR AND CITIZENS OF THE CITY OF WESTMINSTER**, 64 Victoria Street, London SW1E 6QP (the "Council"); and
- (2) **HEART OF LONDON BUSINESS ALLIANCE** (the "BID Company") registered as a company limited by guarantee in England with number 04293930 whose registered office is at Empire House, 175 Piccadilly, London, W1J 9EN.

Recitals

- A The Council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for collecting the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID within the area of the Council and the funding of the BID Arrangements.
- B The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the BID Arrangements.
- C Both parties wish to confirm the arrangements by which the BID Levy shall be collected together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of the BID.
- D The purpose of this Agreement is to:
 - (i) establish the procedure for setting the BID Levy;
 - (ii) confirm the basis upon which the Council will be responsible for collecting the BID Levy;
 - (iii) set out the enforcement mechanisms available for collection of the BID Levy;
 - (iv) set out the procedures for accounting and transference of the BID Levy;
 - (v) provide for the monitoring and review of the collection of the BID Levy;
 - (vi) confirm the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.

IT IS AGREED as follows:

1. Definitions

- “Administrative Expenses”** - means costs incurred by the Council in the administration, collection, and recovery of the BID Levy.
- “Annual Report”** - means a report prepared by the Council which details
- (i) the amount of the BID Levy collected during the relevant Financial Year;
 - (ii) the success rate for the collection of the BID Levy;
 - (iii) the Council's proposals (if any) to help improve its efficiency in the collection and enforcement of the BID Levy;
 - (iv) those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy;
 - (v) the Council's proposals for Bad or Doubtful Debts.
- means a notice served by the BID Company in accordance with Clause 9.2.
- “Appeal Notice”**
- “Bad or Doubtful Debts”** - has the meaning given in the Regulations.
- “Ballot Result Date”** - means the date upon which a successful ballot result has been declared in favour of putting in place the BID arrangements for the BID Term.
- “BID”** - has the meaning given in the Regulations that is the Business Improvement District and is that area within which the BID operates as edged red on the plan attached to this Agreement in Schedule 1.
- “BID Account Credit Balances”** as determined by the Council being the total of the credit balances that may be claimed by BID Levy Payers at any time.

“BID Arrangements”	has the meaning given by s41 of the Local Government Act 2003.
“BID Company Report”	means a report prepared by the BID Company for each Financial Year which details: <ul style="list-style-type: none">(a) total income and expenditure arising from the Bid Levy(b) other income and expenditure of the BID Company;(c) a statement of actual and pending deficits; and(d) the various initiatives and schemes upon which the BID Levy has been expended by the BID Company.
“BID Levy”	- means the charge levied and collected within the BID pursuant to the Regulations.
“BID Levy Payer(s)”	- means the non-domestic rate payers liable for paying the BID Levy.
“BID Levy Rules”	- means the rules set out in Schedule 2.
“BID Revenue Account”	- means the account kept in accordance with Regulation 14.
“BID Term”	- means 1 st April 2022 to 31 st March 2027
“Chargeable Period(s)”	- means any one of the following periods: <ul style="list-style-type: none">- 01/04/22 - 31/03/23- 01/04/23 – 31/03/24- 01/04/24 – 31/03/25- 01/04/25 – 31/03/26- 01/04/26 – 31/03/27

- "Committal"** - means an order made by Magistrates' Court for a BID Levy Payer to be committed to prison for failure to pay the BID Levy.
- "Contributors"** - means the BID Levy Payers and payers of a contribution or funds paid or made available to the BID Company which do not form part of the BID Levy.
- "Demand Notice"** - has the meaning given in the Regulations.
- "District Auditor's Costs"** - means the sum charged by the District Auditor in carrying out an audit of the BID Revenue Account
- "Effective Date"** - means within the meaning of Regulation 17 of the Non-Domestic Rating (Alteration of Lists and Appeals Regulations) 1993.
- "Enforcement Agent"** - means an Enforcement Agent employed by the Council or on behalf of the Council through a contractor.
- "Enforcement Notice"** means a notice served on the Council in accordance with Clause 9.
- "Financial Year"** - means the financial year for the BID Company which runs from 1st April to 31st March.
- "Hereditament"** - has the meaning given in the Regulations.
- "Liability Order"** - has the meaning given in the Regulations.
- "Monitoring Group"** - means the group whose members are representatives from the Council and the BID Company.
- "NDR"** - means Non-Domestic Rates under the Local Government Finance Act 1988.
- "NDR Discretionary Relief"** - means relief which a local authority has discretion to grant under s47 of the Local Government Finance Act 1988.
- "NDR Hardship Relief"** - means relief which a local authority has a discretion to grant under s49 of the Local Government Finance Act 1988.

- “NDR Mandatory Charitable Relief”** - means relief which a local authority must grant under s43 of the Local Government Finance Act 1988.
- “NDR Payer”** - means the person or organisation who has a liability to pay the NDR.
- “NDR Regulations”** - means the regulations made pursuant to Part II of the Local Government Finance Act 1988.
- “NDR (Section 44A) Partly Occupied Relief”** - means a NDR allowance under s44A of the Local Government Finance Act 1988.
- “NDR Small Business Rate Relief”** - means a NDR allowance under S43 of the Local Government Finance Act 1998 and the Non-Domestic Rating (Small Business Rate Relief) (England) Order 2004.
- “NDR Transitional Phasing”** - means the transitional arrangements under s57 of the Local Government Finance Act 1988 and the Local Government Act 2003.
- “Proposal(s)”** - means the plan voted for by the BID Levy Payers in a ballot which sets out the objectives of the BID and identifies the various projects which will be undertaken using funds raised by the BID Levy and/or Voluntary Contributions to achieve those objectives and ‘Renewal Proposals’ has the same meaning save that ‘ballot’ shall be replaced with ‘renewal ballot’ and “Alteration Proposals” has the same meaning save that “ballot” shall be replaced with “alteration ballot”.
- “Rating List”** - means within the meaning of s41 of the Local Government Finance Act 1988.
- “Regulations”** - means the Business Improvement Districts (England) Regulations 2004 and such amendments to those regulations which may be made by the Secretary of State pursuant to Section 48 of the Local Government Act 2003 (from time to time).
- “Reminder Notice”** - means the notice served pursuant to Clause 9.1.

- “Single Instalment Due Date”** - means the date by which the Bid Levy as set out in the Demand Notice must be paid.
- “Software Charges”** means charges levied by Capita Business Services Ltd trading as Capita Software Services (or their successors in title)
- “Sum(s) Unpaid”** - means the amount of the BID Levy which is unpaid after the Single Instalment Due Date.
- “Support and Maintenance Charges** - means annual charges levied by Capita Business Services Ltd trading as Capita Software Services. (or their successors in title) in relation to the Academy BID Module or its successor or replacement.
- “Valuation Officer”** - means the person appointed by the Commissioners of the Inland Revenue to compile and maintain the Valuation List.
- “Voluntary Contributions”** - means any contribution or funds paid or made available to the BID Company which do not form part of the BID Levy.
- “Winding-Up”** - means an order pursuant to s125 of the Insolvency Act 1986.

2 Statutory Authorities

- 2.1 This Agreement is made pursuant to Part 4 of the Local Government Act 2003 and Section 111 of the Local Government Act 1972 and all other enabling powers.

3 Commencement

- 3.1 This Agreement replaces the Operating Agreements dated 1 April 2012 and 24 April 2017 for BID Levy demanded on or after 1 April 2022.

- 3.2 This Agreement shall not take effect until the Ballot Result Date and in any event shall determine and cease to be of any further effect in the event that:
- 3.2.1 the BID Company fails to secure approval of the Proposals, Renewal Proposals or Alteration Proposals in a ballot, renewal ballot, alteration ballot or re-ballot;
 - 3.2.2 the Secretary of State declares void a BID ballot renewal ballot alteration ballot or re-ballot;
 - 3.2.3 the Council exercises its veto and there is no successful appeal against the veto;
 - 3.2.4 the BID Term expires save where the BID Company secures approval of Renewal Proposals in a renewal ballot or Alteration Proposals in an alteration ballot or Proposals in a re-ballot in which event this Agreement shall continue until the expiry of the BID Term set out in the Renewal Proposals, Alteration Proposals or the Proposals set out in the re-ballot provided, in relation to Renewal Proposals and Alteration Proposals the Council consents to such continuation;
 - 3.2.5 the Council exercises its discretion to terminate the BID Arrangements in exercise of powers under regulation 18 of the Regulations.
- 3.3 The expiry or termination of this Agreement shall be without prejudice to the Council's powers and obligations under the Regulations in connection with the administration, collection and recovery of BID Levy payable in respect of a period prior to the expiry or termination of this Agreement, refunds to BID Levy Payers and the keeping and administration of the BID Revenue Account.

4 Setting the BID Levy

- 4.1 As soon as possible upon the Ballot Result Date the Council shall:
- 4.1.1 calculate the BID Levy for each BID Levy Payer in accordance with the BID Levy Rules; and
 - 4.1.2 confirm in writing to the BID Company the BID Levy payable by each BID Levy Payer

5 The BID Revenue Account

- 5.1 As soon as is reasonably practicable following the Ballot Result Date the Council shall keep a BID Revenue Account within the Council's General Fund and provide written confirmation to the BID Company of the same.
- 5.2 The Council shall pay to the BID Company, upon the expiry of the first month following the commencement of the BID Term and every month thereafter, the BID

Levy collected in that month less a contingency and such contingency shall be determined as follows:

- (a) 1% of the BID Levy collected from 1st April 2022 to 31st March 2026;
- (b) 5% of the BID Levy collected from 1st April 2026 to 31st March 2027;

- 5.3 The Council and the BID Company shall review the percentages set out at Clause 5.2 of this Agreement in respect of BID Levy collected from 1st April 2022 to 31st March 2027 every three months (for the duration of the BID Term) and the Council shall take reasonable account of any representations made by the BID Company. At the conclusion of such review, the contingency retained shall be as set out at paragraph 5.2 unless the Council decides to change it.
- 5.4 Unless otherwise agreed, the Council shall pay to the BID Company such contingency as the Council has retained as at 31st March of a Financial Year on 31st May of the following Financial Year. In the event that the BID does not continue beyond 31st March 2027, the Council shall pay the BID Company any contingency (including interest that has accrued, if any) it has retained less an amount equal to BID Account Credit Balances on 30th September 2027;
- 5.5 In the event that a BID Levy Payer is entitled to repayment of a BID Levy ('the Repayment Sum') pursuant to paragraph 8(4) of Schedule 4 of the Regulations and in the event that the Council has previously paid all or part of the Repayment Sum to the BID Company, the Council shall request all or part, as the case may be, of the Repayment Sum from the BID Company and the BID Company shall pay the sum so requested to the Council forthwith and the Council shall thereafter repay the Repayment Sum to the BID Levy Payer. In the event of the termination of the BID Arrangements or the receipt of notice by the Council under clause 5.6 the BID Company shall forthwith pay to the Council the Council's estimate as notified to the BID Company of the total of possible Repayment Sums.
- 5.6 The BID Company shall provide the Council with a minimum of one month's prior written notice of any proposed resolution for winding up of the BID Company or proposed entry into any composition or arrangement for the benefit of the BID Company's creditors or proposed cessation of the BID Company's business or proposed administration order and shall forthwith notify the Council of the appointment of any administrator, administrative receiver or receiver over all or any of the assets of the BID Company.
- 5.7 The BID Company shall issue to the Council a VAT invoice for the payment of the BID Levy income upon advice from the Council on the amount due.

6 Administrative Expenses, District Auditor's Costs, Software Charges and Support and Maintenance Charges

- 6.1 The Council shall provide the BID Company with one or more invoices for payment of Administrative Expenses for each Financial Year.
- 6.2 The Administrative Charges for 2021/22 shall be in the sum due for 2021/22 of £18,219.66 plus VAT and inflation. The Council shall provide to the BID Company an invoice for half of the Administrative Charges due for 2022/23 on or after 1st April 2022 and an invoice for half of the Administrative Charges on or after 1st October 2022.
- 6.3 The Administrative Expenses for Financial Year 2023-24 and each subsequent Financial Year (if relevant) shall be the amount of the Administrative Expenses in the immediately preceding Financial Year (excluding VAT) plus a further amount equal to the product of the amount (excluding VAT) of the invoices provided by the Council in the immediately preceding year and the Consumer Price Index (CPI) for the month of March immediately preceding the 1 April in the for which the invoices are being issued by the Council in relation to the period of twelve (12) months ending in that month of March. In the event of a negative figure, no adjustment will be made to the Administrative Expenses for that year. The Council shall invoice the BID Company in April of each Chargeable Period for payment of the Support and Maintenance Charges for each Financial Year.
- 6.4 The Council shall provide the BID Company with an invoice for periods from January 2022 and in every subsequent year in January for payment of an appropriate share of the annual Support and Maintenance Charge.
- 6.5 The Council will manage the BID Levy at no cost to the BID Company. In the event that the Council reasonably believes that management of the BID Levy requires the Council to provide more staff time than anticipated by the Council at the commencement of this Agreement, the Council may serve on the BID Company a notice, which sets out the amount of staff time anticipated by the Council at the commencement of this Agreement broken down by grade and type of staff, the amount of the additional staff time required broken down by grade and type of staff, the cost of that additional staff time also broken down by grade and type of staff and the reasons for the additional staff time being required, again broken down by grade and type of staff. If the BID Company disputes the need for or the amount of the additional staff time or considers that the cost of the additional staff time could be reduced by use of different members of the Council staff, it shall give notice including full details of the matters in dispute to the Council forthwith and then the dispute shall be determined in accordance Clause 16 below, If after 28 days from the date of the notice or determination of the dispute, whichever is the later, the amount of staff time has not reduced to the levels anticipated by the Council at the commencement of this Agreement the BID Company shall pay the Council's costs of providing more staff time as set out in the notice from the Council or as determined under Clause 16 below.

- 6.6 In the event that the District Auditor makes a charge to the Council for payment of his costs arising from the District Auditor carrying out an annual audit of the BID Revenue Account, the BID Company shall pay such costs.
- 6.7 In the event that the number of hereditaments within BIDs operating in the area for which the Council is the billing authority exceeds the number covered by the current licence and by reason thereof the Council is required to pay Software Charges, the BID Company shall pay such Software Charges to the Council or an appropriate proportion of them as the Council sees fit.
- 6.8 The BID Company shall pay the invoices referred to at Clause 6.1, 6.2, 6.3 6.4 and 6.5 within 28 (twenty-eight) days from the date of receipt.
- 6.9 In the event that the BID Company fails to pay any or all of the said invoices within the said 28 (twenty-eight) days the Council shall be entitled to debit an amount equal to the said invoices from the BID Revenue Account and credit that amount in an account in the name of the Council.

7 Collecting the BID Levy

- 7.1 As soon as reasonably practicable following the Ballot Result Date the Council shall confirm in writing to the BID Company the anticipated date of the despatch of Demand Notices for the initial Chargeable Period and the anticipated Single Instalment Due Date.
- 7.2 Pursuant to clause 7.1 the Council shall serve a Demand Notice on each BID Levy Payer and thereafter shall continue to calculate the BID Levy and serve a Demand Notice throughout the BID Term.
- 7.3 The Council shall maintain a list of those BID Levy Payers who have paid the BID Levy and those BID Levy Payers who have not paid the BID Levy and shall make the list available to the BID Company upon its reasonable request.
- 7.4 The Council shall serve a Demand Notice or amended Demand Notice on a BID Levy Payer as soon as reasonably practicable after the Council receives notice of a change that affects liability for the BID Levy.
- 7.5 The Council shall use all reasonable endeavours to collect the BID Levy throughout the BID Term.

8 Procedures available to the Council for enforcing payment of the BID Levy

8.1 Procedures for the enforcement and recovery of the BID Levy are set out in the Section F of Schedule 2 and the Council shall comply with these enforcement procedures (where appropriate) in enforcing payment of the BID Levy against BID Levy Payers.

9 Enforcement Mechanisms in The Event That the Council Fails to Enforce Collection of the BID Levy

9.1 In the event that the Council fails to enforce payment of the BID Levy pursuant to Clause 8 the BID Company shall be entitled to serve an Enforcement Notice on the Council requesting that:

9.1.1 the Council serve a Reminder Notice or

9.1.2 in the event that the Council has already served a Reminder Notice that the Council applies for a Liability Order at the next available court date from the Schedule of hearings agreed with the Court for NDR, and the Council shall thereafter provide written confirmation of the action it shall take to comply with the Enforcement Notice.

9.2 If the Council fails to provide written confirmation of the action it is taking in relation to the Enforcement Notice within 21 days of the issue of the Enforcement Notice the BID Company shall be entitled to serve an Appeal Notice on the Director of Finance of the Council and such notice shall:

9.2.1 detail the Sum Unpaid;

9.2.2 confirm that the Council has failed to use the enforcement mechanisms available to it under this Agreement to recover the Sum Unpaid; and

9.2.3 include written notice requesting that a meeting of the Monitoring Group take place in order to achieve a solution and/or agree a strategy to recover the Sum Unpaid such meeting to take place no later than 28 (twenty eight) days from the date of the Appeal Notice.

10 Accounting Procedures and Monitoring

10.1 Within 1 (one) month from the Ballot Result Date the parties shall set up the Monitoring Group meeting.

10.2 Each month (for the duration of BID Term) the Council shall provide the BID Company with:

- (i) the amount of the BID Levy for each BID Levy Payer;
- (ii) the amount of the BID Levy collected for each BID Levy Payer;
- (iii) details of BID Levy Payers who have not paid the BID Levy;
- (iv) details of Reminder Notices issued;
- (v) details of Liability Orders made or applied for;
- (vi) details of an agreement made, if any, between the Council and a BID Levy Payer where it has been agreed that payment of a Demand Notice can be made over a period of 6 (six) months or more from the date of such Demand Notice.

10.3 Upon the expiry of the sixth month of the BID Term and every 6 (six) months thereafter (for the duration of the BID Term) the BID Company shall provide the Council in respect of the 6 (six) month periods with:

10.3.1 the amount of BID Levy received from the Council by the BID Company;

10.3.2 the amount received by the BID Company from Contributors excluding BID Levy Payers;

10.3.3 [not used]

10.3.4 the total expenditure of the BID Company.

10.4 Within one month from the Ballot Result Date the parties shall agree the dates when there will be meetings of the Monitoring Group and there will be at least four such meetings in the first Financial Year of the BID Term) and two for the remainder of the BID Term and on all other occasions further meetings of the Monitoring Group shall be arranged by the service of written notice by either party on the other such notice to be provided no less than 28 (twenty eight) days prior to the date of the proposed meeting (or lesser if otherwise agreed or in cases of emergency) and provided further that such meetings can be dispensed with altogether upon the written agreement of both the Council and the BID Company.

10.5 At each meeting the Monitoring Group shall:

10.5.1 review the effectiveness of the collection and enforcement of the BID Levy; and

10.5.2 if required by either party review and assess information provided by the parties pursuant to Clauses 10.2 and 10.3 above and make recommendations provided they are permitted by the Regulations and the terms of this Agreement.

10.6 Within 2 (two) months after the end of each Financial Year (for the duration of the BID Term) the Council shall provide an Annual Report to the BID Company.

10.7 Within 1 (one) month from the date of receipt of the Annual Report in each Financial Year (for the duration of the BID Term) the BID Company shall provide a BID Company Report to the Council.

11 Confidentiality

11.1 Both the Council and the BID Company shall keep confidential and not disclose to any person without the prior written consent of the other party all information (written or oral) concerning the business affairs of the other nor any information which has been exchanged about BID Levy Payers or Contributors or about other third parties which it shall have obtained or received as a result of operating the BID and this obligation shall survive the termination or lapse of the BID Arrangements.

12 Notices

12.1 Any notice or other written communication to be served or given to or upon any party to this Agreement to the other shall be in writing and shall be sent to the address provided for above or such substitute address in England as may from time to time have been notified by that party upon 7 days written notice.

12.2 A notice may be served by;

12.2.1 delivery to the City Treasurer at the address of the Council specified above; or

12.2.2 delivery to the Chief Executive at the address of the BID Company specified above;

- 12.2.3 registered or recorded delivery post to such addresses;
- 12.2.4 electronic Communication (provided that it is in legible form and is capable of being used for subsequent reference) to such addresses.
- 12.3 Any notice served shall be deemed to have been validly served or given at the time when in the ordinary course of business, it would have been received.

13 Miscellaneous

- 13.1 For the avoidance of doubt where any part of this Agreement is incompatible with the Regulations or any other regulations which the Secretary of State may issue pursuant to Part IV of the Local Government Act 2003 then such part shall be struck out and the balance of this Agreement shall remain.
- 13.2 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement.
- 13.3 For the avoidance of doubt the provisions of this Agreement (other than those contained in this Clause) shall not have any effect until this document has been dated.
- 13.4 Where reference is made to a Clause, Part, Plan or Recital such reference (unless the context requires otherwise) is a reference to a clause, part, plan, or recital in or attached to this Agreement.
- 13.5 References to the Council include any successors to its functions as local authority.
- 13.6 References to statutes, bye laws regulations orders or delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.

14 Exercise of the Council's powers

- 14.1 Nothing contained in this Agreement or implied in it shall prejudice or affect the rights, discretions, powers, duties and obligations of the Council under all statutes bye-laws statutory instruments orders and regulations in the exercise of its functions as a local authority.

15 Contracts (Rights of Third Parties)

The provisions of the Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement.

16 Arbitration

16.1 The following provisions shall apply in the event of a dispute:

16.1.1 any dispute or difference of any kind whatsoever arising between the parties hereto out of or in connection with this Deed shall be referred to arbitration before a single arbitrator;

16.1.2 the parties shall jointly appoint the arbitrator not later than 28 (twenty eight) days after service of a request in writing by either party to do so and each party shall bear its own costs;

16.1.3 if the parties are unable to agree within 28 (twenty eight) days the appointment of such arbitrator then such arbitrator (hereinafter referred to as "the Tribunal") shall be appointed on the application of either party to the President for the time being of the Law Society.

16.2 In the event of a reference to arbitration the parties agree:

16.2.1 to prosecute any such reference expeditiously; and

16.2.2 to do all things or take all steps reasonably necessary in order to enable the Tribunal to deliver any award (interim, final or otherwise) as soon as reasonably practicable;

16.2.3 that the award shall be in writing signed by the Tribunal and shall be finalised within 21 (twenty-one) days from the date of such award;

16.2.4 the award shall be final and binding both on the parties and on any persons claiming through or under them.

This Agreement has been executed and delivered as a Deed by the Parties.

**THE COMMON SEAL of THE LORD
MAYOR AND CITIZENS OF THE CITY
OF WESTMINSTER** was hereunto
Affixed by Order)
)
)
)



Sealed By: Westminster City Council
Sealed Time: 07 March 2022 | 15:32 GMT

DocuSigned by:
Keith Simkins
DFE2A07415E6487...
Principal Solicitor

1039/64162/2122

Director of Legal and Administrative Services

Signed as a deed by the)
HEART OF LONDON BUSINESS ALLIANCE)
acting by two directors or a director)
and its secretary)

DocuSigned by:
Adam Wiles
1F2050D2FE3449A...

.....
Director

DocuSigned by:
Jeremy Brown
75E7F0D5E40F46C...

.....
Director/
Company Secretary

SCHEDULE 1



COVENT GARDEN

CHINATOWN

SOHO

PICCADILLY AND ST JAMES'S

LEICESTER SQUARE AND PICCADILLY CIRCUS

ST JAMES'S

SCHEDULE 2

BID LEVY RULES

(for BID Levy demanded on or after 1st April 2022)

INTRODUCTION

The following rules must be read in conjunction with the Regulations. Where the rules conflict with the Regulations the Regulations prevail.

Section A

Hereditaments Subject to the BID Levy:

1. A BID Levy Payer will be subject to the BID Levy in respect of a Hereditament if on a particular day in a Chargeable Period the Hereditament is in:
 - 1.1 the BID area; and
 - 1.2 the BID RV is greater than £224,999.

Section B

The BID Levy:

- 2.1 For the avoidance of doubt the BID Levy is a daily charge due annually in advance.
- 2.2 The BID Levy will be calculated for a Chargeable Period as follows:

BID Rateable Value x BID Multiplier x (D/Y) where:

 - 2.2.1 the BID Rateable Value is:
 - (a) the Rateable Value of the Hereditament in the 2017 Rating List in relation to 1 April 2022 ¹

¹ Where the Valuation Officer has made an alteration to the rateable value of the Hereditament effective on 1st April 2022 the rateable value will be such altered rateable value. Where the valuation officer has made more than one such alteration the rateable value will be the most recent of such alterations.

- (b) in the event that there is no such rateable value in effect on 1 April 2022, the BID Rateable Value will be the Rateable Value of the Hereditament in the 2017 Rating List or subsequent rating list on the earliest effective date ^[1]

2.2.2 The BID Levy will be fixed at 1.15% of the Rateable Value using the 2017 Rating List as at 1 April 2022, rising annually by 0.03%. The BID Multiplier for each Chargeable Period will be at:

2022/23: 1.15%,
2023/24: 1.18%
2024/25: 1.21%
2025/26: 1.24%
2026/27: 1.27%

- 2.2.3 D is the number of days in a Chargeable Period for which the BID Levy Payer is liable for the daily BID Levy;
- 2.2.4 Y is the number of days in the Chargeable Period from 1 April to 31 March during the BID Term.
- 2.3 The BID Levy will be rounded to the nearest penny. (NB. £0.005 will be rounded up to £0.01).
- 2.4 How the amount of the BID Levy is to be calculated cannot be altered during the BID Term without an alteration ballot.
- 2.5 A BID Levy payment due in respect of a Hereditament shall not exceed £30,000 per Chargeable Period during the BID Term
- 2.6 For the avoidance of doubt the BID Levy will not be subject to VAT.

^[1] Where the Valuation Officer has made an alteration or alterations to the rateable value of the Hereditament, the rateable value will be the rateable value on the earliest Effective Date.

Change in the Rateable Value of a Hereditament:

- 2.7 When the Council is notified of a change in the Rateable Value of a Hereditament by the Valuation Officer by way of a schedule update and such change relates to:
- 2.7.1 a reduction in the Rateable Value (other than to £0 or £1);
 - 2.7.2 an increase in the Rateable Value, then the Council will calculate the adjustment of the BID Levy pursuant to the later of the following dates:
 - 2.7.2.1 the Effective Date of such change; or
 - 2.7.2.2 1 April of the Financial Year in which the relevant schedule update is issued, whichever is the later.
- 2.8 Where the Council is notified of a change in the Rateable Value of a Hereditament by the Valuation Officer by way of a schedule update and such change relates to:
- 2.8.1 a new entry in a Rating List (whether as the result of a new Hereditament or the split or merger of previously existing Hereditament(s)); or
 - 2.8.2 a reduction in the Rateable Value to £0 or £1; or
 - 2.8.3 a deletion of the Hereditament from the Rating List, then the Council will calculate the adjustment to the BID Levy pursuant to the Effective Date of such change on the schedule update.

Section C

Persons/Organisations Liable for the BID Levy:

- 3.1 The BID Levy will be a daily charge.
- 3.2 Liability for the daily BID Levy will fall on the Occupier of the Hereditament on the particular day. For this purpose, 'Occupier' shall have the same meaning as under s65 of the Local Government Finance Act 1988 ("the 1988 Act")
- 3.3 If a Hereditament is Unoccupied, the liability for the daily BID Levy will fall on the organisation/person entitled to possession on the particular day. For this purpose, 'Unoccupied' will have the same meaning as in Part III of the 1988 Act and 'entitled to possession' will have the same meaning as in Part III of that Act.
- 3.4. A BID Levy for a Chargeable Period will be payable in advance upon service of a Demand Notice.

Section D

BID Levy Allowances:

- 4.1. BID Levy Payers will not receive an allowance towards their daily BID Levy in relation to Unoccupied Hereditaments.
- 4.2. BID Levy Payers will not receive a void exemption or any other empty rate exemption in relation to Unoccupied Hereditaments or Hereditaments that become Unoccupied during the BID Term.
- 4.3. If on a particular day there is no NDR Payer in existence on a particular day, such as in the case of an NDR unoccupied "listed" Hereditament then no BID Levy is payable. For this purpose, "Listed" will have the same meaning as under regulation 2(2)(d) of the Non-Domestic Rating (Unoccupied Property) Regulations 1989.
- 4.4. If on a particular day a BID Levy Payer in respect of a Hereditament is in receipt of NDR Mandatory Charitable Relief the BID Levy for that day will be reduced by 80% and such 80% allowance will be applied after first applying any other applicable allowances. There will be no allowances applicable to the BID Levy corresponding to NDR Discretionary Relief, NDR Hardship Relief, NDR Section 44A (Partly Occupied) Relief, NDR Small Business Rate Relief or NDR Transitional Phasing.

Section E

Collection of the BID Levy:

- 5.1. The BID Levy for a Chargeable Period must be paid by the Single Instalment Due Date. The Demand Notice will be served as soon as practicable after the Council becomes aware of a BID Levy liability. The Council may serve a Demand Notice before the beginning of a Chargeable Period in accordance with paragraph 5(2) of Schedule 4 of the Regulations.
- 5.2. The Council before exercising its powers under paragraph 8 (4) of Schedule 4 of the Regulations will allow the BID Company an opportunity to make representations as to the manner in which the Council should exercise its discretion under that paragraph and in deciding how to exercise its discretion the Council will have regard to any representations made to it by the BID Company.

- 5.3 The BID Company may authorise write-offs, as appropriate.

Section F

Enforcement and Recovery of the BID Levy:

Stage 1

- 6.1 The Council will serve a Demand Notice at least 14 days before the Single Instalment Due Date.

Stage 2

- 6.2 In the event that a BID Levy Payer does not pay the BID Levy by the Single Instalment Due Date in full the Council will serve a Reminder Notice at least 10 days thereafter on the BID Levy Payer for an amount equal to the Sum Unpaid. Such Reminder Notice must be in terms demanding payment of the Sum Unpaid within 7 days.

Stage 3

- 6.3 In the event that a BID Levy Payer does not pay the Sum Unpaid in full within 7 days from the date of the Reminder Notice the Council may apply to a Magistrates' Court for a Liability Order after 14 days of the date of the Reminder Notice.

Stage 4

- 6.4 In the event that a Magistrates' Court makes a Liability Order the Council will instruct the Enforcement Agent within a reasonable period thereafter to execute the Liability Order.
- 6.5 In addition to a Liability Order, the BID Company may request the Council to apply for a different order and such order may include an order for Committal and an order Winding Up a company. Where such a request includes a request for such different Order, the Council shall not be required to take the action requested unless the BID Company first agrees to pay all or part of the Council's costs in taking such action. The Council may further require the BID Company to pay such costs before the action is taken.

General Enforcement and Recovery Provisions

- 6.6 The Council may enter into an agreement with a BID Levy Payer for payment of a Sum Unpaid at any time after service of a Demand Notice and such agreements do not require the consent of the BID Company.

- 6.7 Costs recovered by the Council from a BID Levy Payer as a consequence of applying for and/or obtaining orders from a Magistrates' Court will be retained by the Council to meet the costs of taking this action.
- 6.8 The Council will not charge the BID Company for work carried out by the Bailiff pursuant to this Agreement. The Bailiff will retain Statutory Levy Fees and charges within the meaning of Schedule 3 of the Non- Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989.

Section G

Billing/Recovery documents:

- 7.1 The Council will use its best endeavours to agree with the BID Company the design of all Demand Notices and letters from the Council to BID Levy Payers.
- 7.2. The BID Company will produce the information required by paragraph 3(2) of Schedule 4 to the Regulations in respect of each BID Levy Payer in the form of an information leaflet which explains the BID Levy and such information leaflet will be served on the BID Levy Payer at the same time as the Demand Notice. The Council will advise the BID Company of the date by which such information leaflets must be delivered to the Council, the required volume and any specific delivery instructions and the BID Company will comply with such requirements.

