

Dated

2020

OPERATING AGREEMENT

ST MARTIN'S OCCUPIER BID

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

- and -

HEART OF LONDON BUSINESS ALLIANCE (the "BID Company")

DRAFT

Contents

1. Definitions.....	4
2. Statutory Authorities	8
3. Commencement.....	8
4. Setting the BID Levy	8
5. The BID Revenue Account.....	9
6. Administrative Expenses, External Auditor’s Costs, Software Charges and Support and Maintenance Charges	10
7. Collecting the BID Levy.....	11
8. Procedures available to the Council for enforcing payment of the BID Levy.....	12
9. Enforcement Mechanisms in the event that the Council Fails to Enforce Collection of the BID Levy 12	
10. Accounting Procedures and Monitoring	13
11. Confidentiality.....	14
12. Notices	14
13. Miscellaneous	15
14. Exercise of the Council’s powers	15
15. Contracts (Rights of Third Parties)	15
16. Arbitration.....	15
SCHEDULE 1	17
SCHEDULE 2	18

DRAFT

Operating Agreement

THIS DEED is made the day of 2020

BETWEEN

(1) THE 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 the BID Body responsible for achieving the BID Arrangements 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:
- establish the procedure for setting the BID Levy;
 - confirm the basis upon which the Council will be responsible for collecting the BID Levy;
 - set out the enforcement mechanisms available for collection of the BID Levy;
 - set out the procedures for accounting and transference of the BID Levy;
 - provide for the monitoring and review of the collection of the BID Levy;
 - 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

- “2004 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).
- “Administrative Expenses”** - means costs incurred by the Council in the administration, collection and recovery of the BID Levy other than the Software Charges, Support and Maintenance Charges and External Auditor’s Costs.
- “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.
- “Appeal Notice”** - means a notice served by the BID Company in accordance with Clause 9.2.
- “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.
- “Bankruptcy Order”** - has the meaning given in section 381 of the Insolvency Act 1986.
- “BID”** means the geographical area of the BID, as that expression is defined in the Regulations and is that area within which the BID Arrangements operate as shown 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

“BID Company Report” - means a report prepared by the BID Company for each Financial Year which details:

- (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 of the Regulations.

“BID Term” - means 1st April 2020 to 31st March 2025,

“Chargeable Period(s)” - means any one of the following periods:

- 01/04/20 – 31/03/21
- 01/04/21 – 31/03/22
- 01/04/22 – 31/03/23
- 01/04/23 – 31/03/24
- 01/04/24 – 31/03/25

BID

"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.
"Effective Date"	- means within the meaning of Regulation 17 of the Non-Domestic Rating (Alteration of Lists and Appeals Regulations) 1993.
"Enforcement Agent"	- has the meaning given in the Taking of Control of Goods Regulations 2013.
"Enforcement Notice"	- means a notice served on the Council in accordance with Clause 9.
"External Auditor's Costs"	- means the sum charged by the Council's external auditor in carrying out an audit of the BID Revenue Account
"Financial Year"	- means the financial year for the BID Company which runs from 1 st April to 31 st March.
"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 discretion to grant under s49 of the Local Government Finance Act 1988
"Mandatory Charitable NDR 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 an 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.
“Proposals”	means the plan voted for by the BID levy Payers in a ballot which sets out the objectives of the BID Arrangements and identifies the various projects which will be undertaken using funds raised by the BID Levy and/or Voluntary Contributions to achieve those objectives
“Rating List”	- means within the meaning of s41 of the Local Government Finance Act 1988.
“Regulations”	- 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.
“Reminder Notice”	- means the notice served pursuant to Clause 9.1.
“Software Charges”	- means charges levied by Capita Business Services Ltd. (or their successors in title).
“Sum 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. (or their successors in title) in relation to - the Academy BID software module or its successor or replacement and enhancements relating to BID Levy.
“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 section 125 of the Insolvency Act 1986.

2. STATUTORY AUTHORITIES

3. 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.COMMENCEMENT

3.1 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:

3.1.1 the Secretary of State declares void a BID ballot under the Regulations;

3.1.2 the Council exercises its veto under the Regulations and there is no successful appeal against the veto the Regulations;

3.1.3 the BID Term expires; or

3.1.4 the Council exercises its discretion to terminate the BID Arrangements in exercise of powers under Regulation 18 of the Regulations.

3.2 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 the BID Levy collected up to the end of each month having first deducted a contingency and such contingency shall be determined as follows, provided that the BID Term has not expired:
- (a) 1% of the BID Levy collected from 1st April 2020 to 31st March 2024;
 - (b) 5% of the BID Levy collected from 1st April 2024 to 31st March 2025;
- 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 2020 to 31st March 2025 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 in clause 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 there are no successor BID arrangements after 31st March 2025, the Council shall pay the BID Company any contingency (including interest that has accrued, if any) it has retained less an amount equal to 100% of all BID Revenue Account Credit Balances on 30th September 2025;
- 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 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 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 of all or any of the BID Company's assets.

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, EXTERNAL 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 Expenses for the financial year 2020-21 shall be in the sum of [tbc] plus VAT. The Council shall provide to the BID Company an invoice for that amount on or after 1st April 2020.

6.3 The amount of the Administrative Expenses for the financial year 2020-21 shall be the sum of [tbc] plus VAT plus a further amount equal to the product of that sum of [tbc] (excluding VAT) and the change in the Retail Price Index (whole economy seasonally adjusted percentage change using the LNMU data series) produced by the Office for National Statistics (or any organisation upon which duties in relation to the compilation and maintenance of such index may have devolved) for the month of March 2021 in relation to the period of twelve (12) months ending in that month of March 2021. In the event of a negative figure, no adjustment will be made to the price of the service for that year.

6.4 The amount of the Administrative Expenses for the financial year 2021-22 and each subsequent year shall be the amount of the annual administrative charge for the preceding 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 Retail Price Index (whole economy seasonally adjusted percentage change using the LNMU data series) produced by the Office for National Statistics (or any organisation upon which duties in relation to the compilation and maintenance of such index may have devolved) for the month of March immediately preceding the 1st April in the year for which invoices are being provided 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 price of the service for that year.

6.5 The Council shall provide the BID Company with an invoice for payment of an appropriate share of the annual Support and Maintenance Charges. That appropriate share shall be calculated by dividing the Support and Maintenance Charges for the year concerned equally amongst all business improvement districts in the City of Westminster to which the Regulations apply (currently 2). In the event that after the date of this Agreement there is a change (whether an increase or decrease) in the number of business improvement districts established under the Regulations in the City of Westminster to which the Regulations apply then the share of the Support and Maintenance Charges for this BID will be adjusted so that pro-rata for the period after the change the Support and Maintenance Charges are equally divided amongst the

business improvement districts established under the Regulations in the City of Westminster to which the Regulations apply.

- 6.6 BIDBIDBIDThe Council will manage the BID Levy at no cost to the BID Company other than the Administrative Expenses, the Support and Maintenance Charges, the Software Charges and the External Auditor's Costs. In the event, however, 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 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's staff, it shall give notice including full details of the matters in dispute to the Council forthwith then the matter shall be determined in accordance with 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.
- 6.7 In the event that the Council's external auditor charges the Council the External Auditor's Costs, the BID Company shall pay to the Council the External Auditor's Costs.
- 6.8 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.
- 6.9 The BID Company shall pay the invoices referred to above within 28 (twenty-eight days) from the date of receipt.
- 6.10 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

7.3 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. 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 City Treasurer 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 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 Arrangements 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)

- 15.1 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.

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

)
)
)
)

Head of Legal and Administrative Services

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

)
)
)
)

.....

Director

.....

Director/Company Secretary

SCHEDULE 1

DRAFT

SCHEDULE 2

DRAFT

BID LEVY RULES

(For BID Levy demanded on or after 1st April 2020)

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; and
 - 1.2 the rateable value of the hereditament is greater than £79,999.

Section B

The BID Levy:

The BID Levy will be calculated for a Chargeable Period as follows:

$RV \times \text{BID Multiplier} \times (D/Y)$ where:

- 2.1 the RV is:
 - 2.1.1 the rateable value of the Hereditament in the 2017 Rating List in relation to 1 April 2020 ¹
 - 2.1.2 in the event that there is no such rateable value, the RV will be the rateable value of the Hereditament in the 2017 Rating List ²
 - 2.1.3 in the event that there is no such rateable value, the RV will be the rateable

¹ Where the Valuation Officer has made an alteration to the rateable value of the Hereditament effective on 1st April 2017, 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.

² 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.

value of the Hereditament in the next Rating List.³

2.2 the BID Multiplier for each financial year will be:

2020-21: 1%
2021-22: 1.03%
2022-23: 1.06%
2023-24: 1.09%
2024-25: 1.12%

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;

2.4 Y is the number of days in the Chargeable Period, e.g. 366 between 1st April 2023 and 31st March 2024 and 365 for the other years in the BID Term.

2.5 The BID Levy will be rounded to the nearest penny. (NB. £0.005 will be rounded up to £0.01).

2.6 How the amount of the BID Levy is to be calculated cannot be altered during the BID Term without an alteration ballot.

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 of the Rateable Value (other than to £0 or £1); or

2.7.2 an increase in the Rateable Value,

then the Council will calculate the adjustment to the BID Levy pursuant to the later of the following dates:

2.7.3 the Effective Date of such change; or

2.7.4 1 April of the financial year in which the relevant schedule update is issued.

2.7.5 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:

2.7.6 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

2.7.7 a reduction in the Rateable Value to £0 or £1; or

2.7.8 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.

Section C

³ 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.

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 there is no NDR Payer in existence on a particular day such as in the case of an NDR unoccupied "listed" Hereditament 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.
- 4.5 The BID Levy due in respect of a Hereditament with a Rateable Value of £2,000,000 or more shall not exceed £20,000 per year of the BID term.

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 to 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, at its discretion.

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 If 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. However, the Council shall not apply for a Liability Order before 14 days from 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 or a Bankruptcy Order or 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 the 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 Enforcement Agent pursuant to this Agreement. The Enforcement Agent 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.

Dated

2020

OPERATING AGREEMENT

ST MARTIN'S PROPERTY OWNER BID

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

- and -

HEART OF LONDON BUSINESS ALLIANCE (the "BRS-BID Company")

DRAFT

Contents

1. Definitions.....	4
2. Statutory Authorities	8
3. Commencement.....	8
4. Setting the BRS-BID Levy.....	8
5. The BRS-BID Revenue Account	9
6. Administrative Expenses, External Auditor’s Costs, Software Charges and Support and Maintenance Charges	10
7. Collecting the BRS-BID Levy	11
8. Procedures available to the Council for enforcing payment of the BRS-BID Levy.....	12
9. Enforcement Mechanisms in the event that the Council Fails to Enforce Collection of the BRS-BID Levy.....	12
10. Accounting Procedures and Monitoring	13
11. Confidentiality.....	14
12. Notices	14
13. Miscellaneous	15
14. Exercise of the Council’s powers	15
15. Contracts (Rights of Third Parties)	15
16. Arbitration.....	15
SCHEDULE 1	17
SCHEDULE 2	18

DRAFT

Operating Agreement

THIS DEED is made the day of 2020

BETWEEN

(1) THE 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 "BRS-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 as the billing authority for the purposes of the Local Government Finance Act 1988 and the Business Rate Supplements Act 2009 is responsible for collecting the BRS-BID levy and administering the BRS-BID Revenue Account which shall be used towards the operation of the BRS-BID within the area of the Council and the funding of the BRS-BID Arrangements.
- B. The BRS-BID Company is the BRS-BID Body responsible for achieving the BRS-BID Arrangements using the BRS-BID Levy for the purposes of achieving the BRS-BID Arrangements.
- C. Both parties wish to confirm the arrangements by which the BRS-BID Levy shall be collected together with general arrangements as to the relationship to be established between the Council and the BRS-BID Company for the duration of the BID
- D. The purpose of this Agreement is to:
- establish the procedure for setting the BRS-BID Levy;
 - confirm the basis upon which the Council will be responsible for collecting the BRS-BID Levy;
 - set out the enforcement mechanisms available for collection of the BRS-BID Levy;
 - set out the procedures for accounting and transference of the BRS-BID Levy;
 - provide for the monitoring and review of the collection of the BRS-BID Levy;
 - confirm the manner in which the Council's expenses incurred in collecting the BRS-BID Levy shall be paid.

It is agreed as follows:

17. DEFINITIONS

- “2004 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).
- “Administrative Expenses”** - means costs incurred by the Council in the administration, collection and recovery of the BRS-BID Levy other than the Software Charges, Support and Maintenance Charges and External Auditor’s Costs.
- “Annual Report”** - means a report prepared by the Council which details
- (i) the amount of the BRS-BID Levy collected during the relevant Financial Year;
 - (ii) the success rate for the collection of the BRS-BID Levy;
 - (vi) the Council's proposals (if any) to help improve its efficiency in the collection and enforcement of the BRS-BID Levy;
 - (vii) those BRS-BID Levy Payers who have paid the BRS-BID Levy and those who have not paid the BRS-BID Levy;
 - (viii) the Council's proposals for Bad or Doubtful Debts.
- “Appeal Notice”** - means a notice served by the BRS-BID Company in accordance with Clause 9.2.
- “Bad or Doubtful Debts”** - has the meaning given in Schedule 3 to the Regulations.
- “Ballot Result Date”** - means the date upon which a successful ballot result has been declared in favour of putting in place the BRS-BID Arrangements for the BRS-BID Term.
- “Bankruptcy Order”** - has the meaning given in section 381 of the Insolvency Act 1986.

- “BID”** means the geographical area of the BID, as that expression is defined in the Regulations and is that area within which the BRS-BID Arrangements operate as shown on the plan attached to this Agreement in Schedule 1.
- “BID Arrangements”** has the meaning given to that expression in the Local Government Act 2003.
- “BRS-BID Arrangements”** - has the meaning given by s41 of the Local Government Act 2003.
- “BRS-BID Company Report”** - means a report prepared by the BRS-BID Company for each Financial Year which details:
- (a) total income and expenditure arising from the BRS-BID Levy;
 - (b) other income and expenditure of the BRS-BID Company;
 - (c) a statement of actual and pending deficits; and
 - (d) the various initiatives and schemes upon which the BRS-BID Levy has been expended by the BRS-BID Company.
- “BRS-BID Levy”** - means the charge levied and collected within the BID pursuant to the Regulations.
- “BRS-BID Levy Payer(s)”** - means:
- the person with a legal estate immediately in reversion to a lease granted for a term of more than 75 years regardless of the number of years remaining;
 - the rateable occupier, if the rateable occupier is the freeholder or the person with a legal estate immediately in reversion to a lease granted for a term of more than 75 years regardless of the number of years remaining;
 - the freeholder, if no lease for a term of more than 75 years has been granted;

Provided always that joint freeholders or leaseholders shall be jointly and severally liable for the BRS-BID Levy.

- “BRS-BID Levy Rules”** - means the rules set out in Schedule 2.
- “BRS-BID Revenue Account”** - means the account kept in accordance with Regulation 16 of the Regulations.
- “BRS-BID Term”** - means 1st April 2020 to 31st March 2025, Provided that:
- on the expiry of the Heart of London BID Arrangements on 31st March 2022 unless a renewal ballot for successor BID Arrangements for the BID has not been successful the BRS-BID Term shall expire on 31st March 2022;
 - or the Heart of London BID Arrangements or any successor BID Arrangements have been terminated under Regulation 18 of the 2004 Regulations the BRS-BID Term shall expire on the date of termination of the Heart of London BID Arrangements or successor BID Arrangements, as the case may be; or
 - Any successor BID Arrangements have been vetoed under Regulation 12 of the 2004 Regulations and any appeal against such veto has not been upheld the BRS-BID Term shall expire on 31st March 2022.
- “Chargeable Period(s)”** - means any one of the following periods:
- 01/04/20 – 31/03/21
 - 01/04/21 – 31/03/22
 - 01/04/22 – 31/03/23
 - 01/04/23 – 31/03/24
 - 01/04/24 – 31/03/25
- Provided always that such period falls within the BRS-BID Term.
- “Committal”** - means an order made by Magistrates’ Court for a BRS-BID Levy Payer to be committed to prison for failure to pay the BRS-BID Levy.

- “Contributors”** - means the BRS-BID Levy Payers and payers of a contribution or funds paid or made available to the BRS-BID Company which do not form part of the BRS-BID Levy.
- “Demand Notice”** - has the meaning given in the Regulations.
- “Enforcement Agent”** - has the meaning given in the Taking of Control of Goods Regulations 2013.
- “Enforcement Notice”** - means a notice served on the Council in accordance with Clause 9.
- “External Auditor’s Costs”** - means the sum charged by the Council’s external auditor in carrying out an audit of the BRS-BID Revenue Account
- “Financial Year”** - means the financial year for the BRS-BID Company which runs from 1st April to 31st March.
- “Liability Order”** - has the meaning given in the Regulations.
- “Monitoring Group”** - means the group whose members are representatives from the Council and the BRS-BID Company.
- “NNDR”** - means Non-Domestic Rates under the Local Government Finance Act 1988.
- “Mandatory Charitable NNDR Relief”** - means relief which a local authority must grant under s43 of the Local Government Finance Act 1988.
- “Proposals”** means the plan voted for by the BRS-BID levy Payers in a ballot which sets out the objectives of the BRS-BID Arrangements and identifies the various projects which will be undertaken using funds raised by the BRS-BID Levy and/or Voluntary Contributions to achieve those objectives
- “Rating List”** - means within the meaning of s41 of the Local Government Finance Act 1988.
- “Regulations”** - means the Business Improvement Districts (Property Owners) (England) Regulations 2014 and such amendments to those regulations which may be made by the Secretary of State pursuant to Section 150 of the Local Government and Housing Act 1989 and section 29 of the Business Rate Supplements Act 2009 (from time to time).

- “Reminder Notice”** - means the notice served pursuant to Clause 9.1.
- “Software Charges”** - means charges levied by Capita Business Services Ltd. (or their successors in title).
- “Sum Unpaid”** - means the amount of the BRS-BID Levy which is unpaid after the Single Instalment Due Date.
- “Support and Maintenance Charges “** means annual charges levied by Capita Business Services Ltd. (or their successors in title) in relation to
- the Academy BID software module or its successor or replacement and enhancements relating to BRS-BID Levy.
- “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 BRS-BID Company which do not form part of the BRS-BID Levy.
- “Winding-Up”** - means an order pursuant to section 125 of the Insolvency Act 1986.

18. STATUTORY AUTHORITIES

18.1 This Agreement is made pursuant to the Business Rate Supplements Act 2009 and Section 111 of the Local Government Act 1972 and all other enabling powers.

19. COMMENCEMENT

19.1 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:

19.1.1 the Secretary of State declares void a BRS-BID ballot under Regulation 11 of the Regulations;

19.1.2 the Council exercises its veto under Regulation 14 of the Regulations and there is no successful appeal against the veto under Regulation 15 of the Regulations;

19.1.3 the BRS-BID Term expires; or

19.1.4 the Council exercises its discretion to terminate the BRS-BID Arrangements in exercise of powers under Regulation 20 of the Regulations.

19.2 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 BRS-BID Levy payable in respect of a period prior to the expiry or termination of this Agreement, refunds to BRS-BID Levy Payers and the keeping and administration of the BRS-BID Revenue Account.

20. SETTING THE BRS-BID LEVY

20.1 As soon as possible upon the Ballot Result Date the Council shall:

20.1.1 calculate the BRS-BID Levy for each BRS-BID Levy Payer in accordance with the BRS-BID Levy Rules; and

20.1.2 confirm in writing to the BRS-BID Company the BRS-BID Levy payable by each BRS-BID Levy Payer.

20.2 In order to carry out its duties under 4.1 the Council is to be provided with the most up to date list of BRS-BID Levy Payers that is available as prepared by the BRS-BID Company. The BRS-BID Company is to provide the Council with updates to the list of BRS-BID Levy Payers as and when changes occur. For clarification, the final decision on liability for the BRS-BID Levy will at all times rest with the Council.

21. THE BRS-BID REVENUE ACCOUNT

21.1 As soon as is reasonably practicable following the Ballot Result Date the Council shall keep a BRS-BID Revenue Account within the Council's General Fund and provide written confirmation to the BRS-BID Company of the same.

21.2 The Council shall pay to the BRS-BID Company the BRS-BID Levy collected up to the end of each month having first deducted a contingency and such contingency shall be determined as follows, provided that the BRS-BID Term has not expired:

(a) 1% of the BRS-BID Levy collected from 1st April 2020 to 31st March 2024;

(b) 5% of the BRS-BID Levy collected from 1st April 2024 to 31st March 2025;

21.3 The Council and the BRS-BID Company shall review the percentages set out at clause 5.3 of this Agreement in respect of BRS-BID Levy collected from 1st April 2020 to 31st March 2025 every three months (for the duration of the BRS-BID Term) and the Council shall take reasonable account of any representations made by the BRS-BID Company. At the conclusion of such review, the contingency retained shall be as set out in clause 5.3 unless the Council decides to change it.

- 21.4 Unless otherwise agreed, the Council shall pay to the BRS-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 there are no successor BRS-BID arrangements after 31st March 2025, the Council shall pay the BRS-BID Company any contingency (including interest that has accrued, if any) it has retained less an amount equal to 100% of all BRS-BID Revenue Account Credit Balances on 30th September 2025;
- 21.5 In the event that a BRS-BID Levy Payer is entitled to repayment of a BRS-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 BRS-BID Company, the Council shall request all or part, as the case may be, of the Repayment Sum from the BRS-BID Company and the BRS-BID Company shall pay the sum so requested to the Council forthwith and the Council shall thereafter repay the Repayment Sum to the BRS-BID Levy Payer. In the event of the termination of the BRS-BID Arrangements or the receipt of notice by the Council under clause 5.6 the BRS-BID Company shall forthwith pay to the Council the Council's estimate as notified to BRS-BID Company of the total of possible Repayment Sums.
- 21.6 The BRS-BID Company shall provide the Council with a minimum of one month's prior written notice of any proposed resolution for winding up the BRS-BID Company or proposed entry into any composition or arrangement for the benefit of the BRS-BID Company's creditors or proposed cessation of the BRS-BID Company's business or proposed administration order and shall forthwith notify the Council of the appointment of any administrator, administrative receiver or receiver of all or any of the BRS-BID Company's assets.
- 21.7 The BRS-BID Company shall issue to the Council a VAT invoice for the payment of the BRS-BID Levy income upon advice from the Council on the amount due.

22. ADMINISTRATIVE EXPENSES, EXTERNAL AUDITOR'S COSTS, SOFTWARE CHARGES AND SUPPORT AND MAINTENANCE CHARGES

- 22.1 The Council shall provide the BRS-BID Company with one or more invoices for payment of Administrative Expenses for each financial year.
- 22.2 The Administrative Expenses for the financial year 2020-21 shall be in the sum of [tbc] plus VAT. The Council shall provide to the BRS-BID Company an invoice for that amount on or after 1st July 2015.
- 22.3 The amount of the Administrative Expenses for the financial year 2020-21 shall be the sum of [tbc] plus VAT plus a further amount equal to the product of that sum of [tbc] (excluding VAT) and the change in the Retail Price Index (whole economy seasonally adjusted percentage change using the LNMU data series) produced by the Office for National Statistics (or any organisation upon which duties in relation to the compilation and maintenance of such index may have devolved) for the month of March 2021 in relation to the period of twelve (12) months ending in that month of

March 2021. In the event of a negative figure, no adjustment will be made to the price of the service for that year.

- 22.4 The amount of the Administrative Expenses for the financial year 2021-22 and each subsequent year shall be the amount of the annual administrative charge for the preceding 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 Retail Price Index (whole economy seasonally adjusted percentage change using the LNMU data series) produced by the Office for National Statistics (or any organisation upon which duties in relation to the compilation and maintenance of such index may have devolved) for the month of March immediately preceding the 1st April in the year for which invoices are being provided 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 price of the service for that year.
- 22.5 The Council shall provide the BRS-BID Company with an invoice for payment of an appropriate share of the annual Support and Maintenance Charges. That appropriate share shall be calculated by dividing the Support and Maintenance Charges for the year concerned equally amongst all business improvement districts in the City of Westminster to which the Regulations apply (currently 2). In the event that after the date of this Agreement there is a change (whether an increase or decrease) in the number of business improvement districts established under the Regulations in the City of Westminster to which the Regulations apply then the share of the Support and Maintenance Charges for this BID will be adjusted so that pro-rata for the period after the change the Support and Maintenance Charges are equally divided amongst the business improvement districts established under the Regulations in the City of Westminster to which the Regulations apply.
- 22.6 The Council will manage the BRS-BID Levy at no cost to the BRS-BID Company other than the Administrative Expenses, the Support and Maintenance Charges, the Software Charges and the External Auditor's Costs. In the event, however, that the Council reasonably believes that management of the BRS-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 BRS-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 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 BRS-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's staff, it shall give notice including full details of the matters in dispute to the Council forthwith then the matter shall be determined in accordance with 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 BRS-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.

- 22.7 In the event that the Council's external auditor charges the Council the External Auditor's Costs, the BRS-BID Company shall pay to the Council the External Auditor's Costs.
- 22.8 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 BRS-BID Company shall pay such Software Charges to the Council or an appropriate proportion of them as the Council sees fit.
- 22.9 The BRS-BID Company shall pay the invoices referred to above within 28 (twenty-eight days) from the date of receipt.
- 22.10 In the event that the BRS-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 BRS-BID Revenue Account and credit that amount in an account in the name of the Council.

23. COLLECTING THE BRS-BID LEVY

- 23.1 As soon as reasonably practicable following the Ballot Result Date the Council shall confirm in writing to the BRS-BID Company the anticipated date of the despatch of Demand Notices for the initial Chargeable Period and the anticipated Single Instalment Due Date.
- 23.2 Pursuant to clause 7.1 the Council shall serve a Demand Notice on each BRS-BID Levy Payer and thereafter shall continue to calculate the BRS-BID Levy and serve a Demand Notice throughout the BRS-BID Term. In order to enable the Council to serve demands upon the correct person or persons, the BRS-BID Company shall provide up to date details of property ownership as defined by the BRS-BID Levy rules and arrangements. For clarification, the final decision on liability for the BRS-BID Levy will at all times rest with the Council.
- 23.3 The Council shall maintain a list of those BRS-BID Levy Payers who have paid the BRS-BID Levy and those BRS-BID Levy Payers who have not paid the BRS-BID Levy and shall make the list available to the BRS-BID Company upon its reasonable request.
- 23.4 The Council shall serve a Demand Notice or amended Demand Notice on a BRS-BID Levy Payer as soon as reasonably practicable after the Council receives notice of a change that affects liability for the BRS-BID Levy.
- 23.5 The Council shall use all reasonable endeavours to collect the BRS-BID Levy throughout the BRS-BID Term.

24. PROCEDURES AVAILABLE TO THE COUNCIL FOR ENFORCING PAYMENT OF THE BRS-BID LEVY

24.1 Procedures for the enforcement and recovery of the BRS-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 BRS-BID Levy against BRS-BID Levy Payers.

25. ENFORCEMENT MECHANISMS IN THE EVENT THAT THE COUNCIL FAILS TO ENFORCE COLLECTION OF THE BRS-BID LEVY

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

25.1.1 the Council serve a Reminder Notice or

25.1.2 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 NNDR and the Council shall thereafter provide written confirmation of the action it shall take to comply with the Enforcement Notice.

25.2 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 BRS-BID Company shall be entitled to serve an Appeal Notice on the City Treasurer of the Council and such notice shall:

25.2.1 detail the Sum Unpaid;

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

25.2.3 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.

26. ACCOUNTING PROCEDURES AND MONITORING

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

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

- (vii) the amount of the BRS-BID Levy for each BRS-BID Levy Payer;
 - (viii) the amount of the BRS-BID Levy collected for each BRS-BID Levy Payer;
 - (ix) details of BRS-BID Levy Payers who have not paid the BRS-BID Levy;.
 - (x) Details of Reminder Notices issued;
 - (xi) details of Liability Orders made or applied for;
 - (xii) details of an agreement made, if any, between the Council and a BRS-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.
- 26.3 Upon the expiry of the sixth month of the BRS-BID Term and every 6 (six) months thereafter (for the duration of the BRS-BID Term) the BRS-BID Company shall provide the Council in respect of the 6 (six) month periods with:
- 26.3.1 the amount of BRS-BID Levy received from the Council by the BRS-BID Company;
 - 26.3.2 the amount received by the BRS-BID Company from Contributors excluding BRS-BID Levy Payers;
 - 26.3.3 the total expenditure of the BRS-BID Company.
- 26.4 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 BRS-BID Term) and two for the remainder of the BRS-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 BRS-BID Company.
- 26.5 At each meeting the Monitoring Group shall:
- 26.5.1 review the effectiveness of the collection and enforcement of the BRS-BID Levy; and
 - 26.5.2 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.
- 26.6 Within 2 (two) months after the end of each Financial Year (for the duration of the BRS-BID Term) the Council shall provide an Annual Report to the BRS-BID Company.

26.7 Within 1 (one) month from the date of receipt of the Annual Report in each financial year (for the duration of the BRS-BID Term) the BRS-BID Company shall provide a BRS-BID Company Report to the Council.

27. CONFIDENTIALITY

27.1 Both the Council and the BRS-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 BRS-BID Levy Payers or Contributors or about other third parties which it shall have obtained or received as a result of operating the BRS-BID Arrangements and this obligation shall survive the termination or lapse of the BRS-BID Arrangements.

28. NOTICES

28.1 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.

28.2 A notice may be served by:

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

28.2.2 delivery to the Chief Executive at the address of the BRS-BID Company specified above;

28.2.3 registered or recorded delivery post to such addresses;

28.2.4 electronic communication, provided that it is in legible form and is capable of being used for subsequent reference to such addresses.

28.3 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.

29. MISCELLANEOUS

29.1 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 section 29 of the Business Rate Supplements Act 2009 then such part shall be struck out and the balance of this Agreement shall remain.

29.2 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement.

29.3 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.

29.4 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.

29.5 References to the Council include any successors to its functions as local authority.

29.6 References to statutes, bye laws regulations orders or delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.

30. EXERCISE OF THE COUNCIL'S POWERS

30.1 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.

31. CONTRACTS (RIGHTS OF THIRD PARTIES)

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

32. ARBITRATION

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

32.1.1 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;

32.1.2 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;

32.1.3 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.

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

32.2.1 to prosecute any such reference expeditiously; and

32.2.2 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;

32.2.3 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;

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

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

Head of Legal and Administrative Services

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

.....

Director

.....

Director/Company Secretary

SCHEDULE 1

DRAFT

SCHEDULE 2

DRAFT

BRS-BID LEVY RULES

(For BRS-BID Levy demanded on or after 1st April 2020)

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 BRS-BID Levy:

1. A BRS-BID Levy Payer will be subject to the BRS-BID Levy in respect of a hereditament if on a particular day in a Chargeable Period the hereditament is in:
 - 1.2 the BID; and
 - 1.2 the rateable value of the hereditament is greater than £79,999.

Section B

The BRS-BID Levy:

The BRS-BID Levy will be calculated for a Chargeable Period as follows:

$RV \times \text{BRS-BID Multiplier} \times (D/Y)$ where:

- 2.1 the RV is:
 - 2.1.4 the rateable value of the Hereditament in the 2017 Rating List in relation to 1 April 2020 ⁴
 - 2.1.5 in the event that there is no such rateable value, the RV will be the rateable value of the Hereditament in the 2017 Rating List ⁵
 - 2.1.6 in the event that there is no such rateable value, the RV will be the rateable

⁴ Where the Valuation Officer has made an alteration to the rateable value of the Hereditament effective on 1st April 2017, 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.

⁵ 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.

value of the Hereditament in the next Rating List.⁶

2.3 the BRS-BID Multiplier for each financial year will be:

2020-21: 1%
2021-22: 1.03%
2022-23: 1.06%
2023-24: 1.09%
2024-25: 1.12%

2.3 D is the number of days in a Chargeable Period for which the BRS-BID Levy Payer is liable for the daily BRS-BID Levy;

2.4 Y is the number of days in the Chargeable Period, e.g. 366 between 1st April 2023 and 31st March 2024 and 365 for the other years in the BRS-BID Term.

2.5 The BRS-BID Levy will be rounded to the nearest penny. (NB. £0.005 will be rounded up to £0.01).

2.6 How the amount of the BRS-BID Levy is to be calculated cannot be altered during the BRS-BID Term without an alteration ballot.

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 of the Rateable Value (other than to £0 or £1); or

2.7.2 an increase in the Rateable Value,

then the Council will calculate the adjustment to the BID Levy pursuant to the later of the following dates:

2.7.3 the Effective Date of such change; or

2.7.4 1 April of the financial year in which the relevant schedule update is issued.

2.7.5 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:

2.7.6 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

2.7.7 a reduction in the Rateable Value to £0 or £1; or

2.7.8 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.

Section C

⁶ 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.

Persons/Organisations Liable for the BRS-BID Levy:

- 3.1 The BRS-BID Levy will be a daily charge.
- 3.2 Liability for the daily BRS-BID Levy will fall on the BRS-BID Levy Payer of the Hereditament on the particular day.
- 3.3 A BRS-BID Levy for a Chargeable Period will be payable in advance upon service of a Demand Notice.

Section D

BRS-BID Levy Allowances:

- 4.1 If on a particular day the BRS-BID Levy Payer in respect of a Hereditament is in receipt of Mandatory Charitable NNDR Relief the BRS-BID Levy for that day will be reduced by 80%.
- 4.2 The BID Levy due in respect of a Hereditament with a Rateable Value of £5,000,000 or more shall not exceed £50,000 per year of the BID term.
- 4.3 There are no other applicable allowances, exemptions or reliefs.

Section E

Collection of the BRS-BID Levy:

- 5.1 The BRS-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 BRS-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 to the Regulations will allow the BRS-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 BRS-BID Company.
- 5.3 The BRS-BID Company may authorise write-offs, as appropriate, at its discretion.

Section F

Enforcement and Recovery of the BRS-BID Levy:

Stage 1

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

Stage 2

- 6.4 In the event that a BRS-BID Levy Payer does not pay the BRS-BID Levy by the Single Instalment Due Date in full the Council will serve a Reminder Notice at least 10 days thereafter on the BRS-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 If a BRS-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. However, the Council shall not apply for a Liability Order before 14 days from 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 BRS-BID Company may request the Council to apply for a different order and such order may include an order for Committal or a Bankruptcy Order or 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 BRS-BID Company first agrees to pay all or part of the Council's costs in taking such action. The Council may further require the BRS-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 BRS-BID Levy Payer for payment of the Sum Unpaid at any time after service of a Demand Notice and such agreements do not require the consent of the BRS-BID Company.

- 6.8 Costs recovered by the Council from a BRS-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 BRS-BID Company for work carried out by the Enforcement Agents under this Agreement. The Taking Control of Goods Regulations 2013 will apply and the Enforcement Agents will levy fees on the BRS-BID Levy Payers concerned under the Taking Control of Goods (Fees) Regulations 2014.

Section G

Billing/Recovery documents:

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