

OPERATING AGREEMENT

between

BIRMINGHAM CITY COUNCIL

and

KINGS HEATH BUSINESS IMPROVEMENT DISTRICT

Contents

- 1 Definitions
- 2 Statutory Authority and Interpretation
- 3 Calculating the BID Levy
- 4 The BID3 Revenue Account
- 5 Debits from the BID3 Revenue Account
- 6 Collecting the BID Levy
- 7 Enforcement of payment of the BID Levy
- 8 Payment to the BID Company and Reconciliation
- 9 Performance Monitoring
- 10 Termination
- 11 Confidentiality
- 12 Notices
- 13 Miscellaneous
- 14 Rights and Duties Reserved
- 15 Contracts (Rights of Third Parties) Act 1999
- 16 Dispute Resolution

Schedule 1 – The BID Levy Rules

Schedule 2 – Plan of the BID3 Area

Schedule 3 – The BID3 Proposals

Dated the 12TH day of

APRIL

2018

Between

- (1) **BIRMINGHAM CITY COUNCIL** ("the Council") of The Council House, Victoria Square, Birmingham, B1 1BB; and
- (2) **KINGS HEATH BUSINESS IMPROVEMENT DISTRICT** ("the BID Company") a registered as a private company limited by guarantee in England with company number 05785221 whose registered office is 1A Station Road, Kings Heath, Birmingham B14 7SR .

(together a "party or parties")

Background

- 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 BID3 Revenue Account which shall be used towards the operation of the BID within the area of the Council and the funding of the BID3 Arrangements.
- B The BID Company operated the BID during the BID2 Period and following a renewal ballot of qualifying businesses within the BID3 Area, the BID Company is to continue to operate the BID during the BID3 Term ("BID3").
- C With effect from 1 April 2018, the BID Company becomes responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in the BID3 Arrangements.
- D Both parties wish to confirm the arrangements by which the BID Levy is collected together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of BID3.
- E 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 accounted for.
- provide for the monitoring and review of the spending of the BID Levy by the BID Company and its internal control arrangements.

It is agreed as follows:

1 **Definitions**

“Bad or Doubtful Debts” shall have the same meaning as further described in **Part 2 of Schedule 3** of the Regulations;

the **“Balancing Payment”** means the difference between the sum of the First and Second Advance Payments and the actual total sum of the BID Levy collected by the Council for the relevant Financial Year as ascertained by Council and notified to the BID Company within three (3) calendar months after the end of the financial year in question. If the aggregate of the two former payments exceed the latter, it is negative, if the aggregate of the former payments is less than the latter, it is positive;

“BID” means the Kings Heath business improvement district project, by which the BID Company will deliver the BID3 Proposals;

the **“BID3 Period”** means the duration of the previous operating agreement being the period from the 1st April 2018 to the 31st March 2023;

the **“BID3 Area”** is identified on the map in **Schedule 2**;

the **“BID3 Arrangements”** means those arrangements to be put in place pursuant to the Regulations for the operation of the BID;

the **“BID Company’s Report”** means a report for each Financial Year to be prepared by the BID Company which details the following:

- (i) the total income and expenditure of the BID Levy;
- (ii) other income and expenditure of the BID Company not being the BID Levy;
- (iii) a statement of actual and pending deficits; and
- (iv) the various initiatives and schemes upon which the BID Levy has been expended by the BID Company analysed in line with the agreed BID3 Proposals;

the **“BID Levy”** means the charge to be levied and collected within the BID3 Area pursuant to the Regulations;

“BID Levy Payer(s)” means the non-domestic rate payers responsible for paying the BID Levy;

the **“BID Levy Rules”** means the rules set out in **Schedule 1** of this Agreement which sets out how the BID Levy will be calculated, details of Exempt Properties and other requirements related to the BID Levy (as may be amended by a successful alteration ballot);

the **“BID3 Proposals”** means the BID Company’s BID proposals set out in **Schedule 3** to this Agreement.

the **“BID3 Revenue Account”** means the account to be set up in accordance with Regulation 14 and operated in accordance with Schedule 3 of the Regulations;

the **“BID3 Term”** means the period commencing on the Operational Date and expiring on 31 March 2023;

“CLA” means the Commission for Local Administration;

“Confidential Information” means:

- All information relating to this Agreement which includes, but is not limited to, commercial, financial, technical, operational or other information in whatsoever form (including information disclosed orally) which concerns the business and affairs of a party including information disclosed prior to the date of this Agreement, where one party can demonstrate to the other party that disclosure would cause considerable harm;
- All information reasonably designated as such by either party in writing together with all other information which relates to the business, affairs, products, developments, trade secrets, know-how, personnel, customers and suppliers of either party being information where one party can demonstrate to the other party that disclosure would cause considerable harm;
- Any information which is agreed by the parties at the Execution Date or any time prior to publication of this Agreement or any part of it under the Freedom of Information Act 2000 or any other legislation as being commercially sensitive;

“Confidentiality Expiry Date” means the date one (1) year following the expiry of the BID3 Term;

the **“Contributors”** means the BID Levy Payers or other contributors making voluntary contributions to the BID company;

“Demand Notice” shall have the same meaning ascribed to it as further set out in paragraph 3 of Schedule 4 of the Regulations;

“Dispute Resolution Procedures” means the procedures set out in **Clause 16**;

“DPA” means the Data Protection Act 1998;

“EEA State” means a state which is a contracting party to an agreement on the European Economic Area pursuant to Section 70 DPA;

“Execution Date” means the date of the execution of this Agreement by the parties;

the **“Exempt Properties”** means those class or classes of properties as identified in the BID Levy Rules which shall be exempt from any requirement to pay the BID Levy;

“Final Notice” means the notice to be served by the Council pursuant to **Clause 7.1**;

the **“Financial Year”** means the period of twelve (12) consecutive months from 1st April to the following 31st March;

the **“First Advance Payment”** means the sum calculated by multiplying the total BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules, on 1st April for the Financial Year, by 78.4%;

“FOIA Scheme” means the Council’s current published scheme under Section 19 Freedom of Information Act 2000;

“Hereditament” shall have the same meaning as defined in Regulation 1 (2);

“Legislation” means any Act of Parliament or subordinate legislation within the meaning of Section 21 (1) of the Interpretation Act 1978, any exercise of the Royal Prerogative, and any enforceable community right within the meaning of Section 2 of the European Communities Act 1972, in each case in the United Kingdom;

“Liability Order” has the meaning given in Regulation 10 of the 1989 Regulations;

the **“Operational Date”** means 1 April 2018 being the date upon which the BID3 Arrangements come into force;

“Personal Data” is defined by DPA;

“Public Meeting” means the meeting to be held of all BID Levy Payers pursuant to Regulation 18(1)(a)(ii);

the **“Regulations”** means the Business Improvement Districts (England) Regulations 2004 SI 2004 No. 2443 and such amendments made from time to time by the Secretary of State pursuant to Section 48 Local Government Act 2003;

Theme 4 - Supporting Your Business Projects				
Free wifi system	New	3.1	Grant funding	
Training Courses (particularly First Aid and Fire Awareness, Customer Service, Website creation, dressing shop window and Risk Assessment/health and safety)	New	Various ratings	£3k	
Supporting Your Business Sub Total			£3K	2%
Delivery and Management Costs				
Contingency/Renewal reserves			£5K	
BID Delivery Costs			£40K	
Overall Management and Delivery Costs			£45K	31.5%
Total Costs			£142K	

The Kings Heath BID Renewal Business Plan is in the process of being written (sign off to be delegated to the BID Manager, BID Chairman and BID Consultant around the first week in November). The document will be designed and published by the end of November ready for circulation to levy payers in December 2017.

BID Project/Service	New/Continue	Score	Amount £	%
Theme 1 - Clean, Green and Safe Projects				
Security/6 days a week Security Warden	Continue/New	3.3/2.9	£30K	
Anti-Crime Forum	New	3	Time only	
Defibrillators (one communal one)	New	3.3	Grant funded	
Cleaning Operative	New	3.3	£10K	
Floral Planters/Hanging Baskets	Continue	3.2	£5K	
Clean, Green and Safe Sub Total			£45K	31.5%
Theme 2 - Promoted and Marketed Projects				
PR and Marketing	Continue	2.9	£17k	
Enjoy Kings Heath Magazine	Continue	3.1	Cost neutral	
Enjoy Kings Heath Website	Continue	3.2	Part of PR contract	
Social media outlets	Continue	3.2	Part of PR contract	
Capture Kings Heath	Continue	2.9	Part of Enjoy Kings Heath magazine	
Promoted and Marketed Sub Total			£17K	12%
Theme 3 - Vibrant and Accessible Projects				
Christmas Lights and Switch on	Continue	3.4	£17K (£15k for lights; £2k for switch-on event). Seek sponsorship	
Sunday Christmas Market/Grotto	New	3.2	Self funding	
Literature Festival	New	3	£5K. Seek Sponsorship and grant support	
Easter Egg Hunts		3		
Cooking Competitions		2.9		
Sunday Specialist Markets		3.4		
Kings Heath September Street Festival	Continue	3.3	£10K. Seek Sponsorship and grant support.	
Installing Signage for side roads/key gateways	New	3.2	Seek grant support	
Vibrant and Accessible Sub Total			£32K	23%

expected that Kings Heath BID will generate additional contributions to offset any non-collection).

Consultation towards BID 3

The projects that Kings Heath BID intends to deliver in its third term have been informed by the consultation undertaken with businesses during August/September 2017.

The survey results demonstrate very clearly that there is support from businesses for a third term of Kings Heath BID:

- Fully completed forms were received from 102 levy payers giving valuable information on how the levy income should be spent and indicating their support for a third term.
- A further 128 levy payers engaged in a discussion about the BID or were visited resulting in a total of 230 meaningful engagements out of 279 levy payers – 82% of all levy payers. In the consultant's opinion, this is a superb level of engagement.
- The remaining 18% of levy payers for whom a follow up call or visit was not made included those premises that were empty, undergoing refurbishment or that were due to close down for whom a visit/phone call would not have been appropriate.
- The engagement campaign included visits to every street within the BID boundary, to every business type (e.g. office, shop, public sector etc) and to a cross section of business sizes from those with the smallest levy contributions to the highest single rate-payer.
- 31 people (from the 102 surveys completed) said they would like to get more involved in Kings Heath BID – following the survey, there has been a lot of interest from levy payers who wish to join the Board
- Of the full 102 surveys completed, 64% (two thirds) of respondents would vote 'yes' to the BID. A further 29% were either uncertain at this stage or alternatively were unable to indicate as they would need to refer the decision to their head office. Only 7% declared that they would vote 'no'

Summary of Projects for 3rd Term

Please note that the scores shown below relate to the relative importance that levy payers assigned to each of the projects during the consultation (1 being lowest priority and 4 being highest). No project that scored under 2.9 has been included in the list of BID 3 projects to deliver.

Theme 3: A Place Where There's A Whole Lot Happening

Organised the following key events:

- The Great Kings Heath Easter Egg Hunt, a free family event with eggs created by local children and hidden in shops – increased footfall to Kings Heath businesses
- The Kings Heath Street Festival – Live music, street food cooked by Kings Heath's finest restaurants, market stalls showcasing independent retailers and children's entertainment drawing an estimated 20,000 visitors to Kings Heath (the Festival had a fallow year in 2017)
- Winterfest Christmas Lights - decorating retail areas and creating a positive shopping experience for customers and businesses
- Christmas late night shopping campaign
- Worked with other local organisations to organise switch on events

Other annual events supported by excellent publicity have been held to include:

- Kings Heath Business Excellence Awards with excellent local press coverage
- 'Kidsheath' incentives over the summer holidays to draw in children with their parents boosting footfall in Kings Heath
- Themed holiday events Mother's Day (gift guides), Halloween (Shocktober) and World Record Store Day

Proposed 3rd Term 2018 – 2023

The current BID will end on 31st March 2018, with voting taking place by levy payers between 18th January 2018 and 15th February 2018.

Kings Heath's BID vision for a third term is '*To establish Kings Heath as a thriving destination to live, work, shop and eat through creating a well promoted, safe, clean and welcoming town centre*'. This vision was supported by almost all of the 102 survey respondents.

The BID levy will increase slightly from 1.5% to 1.75% to safeguard the BID's modest income given the overall decrease in rateable values and to enable 6 day a week security warden, a project that was earmarked as very important by businesses. Those businesses with a rateable value of £4,999 or under will be exempt from paying the levy as will NHS trust hereditaments within the boundary.

With an extension to the current boundary which will support the delivery of theme 3 through events and signage, the BID proposes to raise circa £142K* per year from approximately 286 levy payers. (* assuming a 100% collection rate. Whilst 100% collection is unlikely, it is

- Implemented the 'Banned in Kings Heath' scheme, a folder which assists retailers to identify known shoplifters (83 people listed as of 18th October)
- Appointed a PR and Marketing agency who works closely with BID businesses to market Kings Heath as a destination and to develop the Kings Heath brand both on and offline, generate press coverage for BID businesses and create and execute innovative marketing campaigns throughout the year
- Launched the Kings Heath Instagram in 2017 which already has 1,500 followers, issued consumer e-newsletters and business to business e-newsletters
- Launched a new 'Enjoy Kings Heath' website as a digital hub for residents, visitors, businesses and employees. The site includes an extensive business listing directory, what's on calendar and blog giving businesses the opportunity to update their information, share their events and news to an online audience
- Circulated 15,000 copies of the Enjoy Kings Heath Magazine, a free bi-annual magazine distributed to local residents and businesses.
- Installed Kings Heath flags in the High Street with a 'Relax, Shop and Enjoy' strapline
- Dressed empty shops using artwork from local schools and enabling local artists to showcase their work in windows
- Invested in the Village Square
- Launched a 'Shop Local' campaign including working with the national team at Independent Retailer Monthly

Theme 2: A Brighter Environment

- Maintained levels of cleanliness in all public areas including physical improvements such as floral planters (29 planters), graffiti removal, litter picking and chewing gum removal
- Organised a seasonal photography competition encouraging local people and budding photographers to explore Kings Heath and submit their best shots of the area to be in with a chance of winning prizes donated by local businesses
- Commissioned public murals e.g. the iconic 'Welcome to Kings Heath' mural
- Worked in partnership with parks including the hosting of events to encourage tourists
- Expanded the opportunities for community gardening and tree planting
- Undertook recycling projects

Schedule 3 - Kings Heath Business Improvement District BID3 Proposals

Outline of Proposal

The following information has been prepared by the Kings Heath BID Manager and BID Consultant.

.Background

Kings Heath BID was first established on 1st April 2008 following a successful ballot held in accordance with the Local Government Act, Business Improvement Districts (England) Regulations, 2004.

1st Term 2008 - 2013

The mandate for the first term was about developing Kings Heath as a safe and attractive environment, encouraging investment and managing, promoting and developing the town centre as a vibrant place for retail, commercial and cultural activities.

On the back of an improved environment including a new village square, falling crime statistics, increased retail spending and longer shopping stays, evidenced by the BID team in place at the time, Kings Heath BID was successful at its second term renewal ballot in June 2012 and started a new term in April 2013.

The first term generated circa £545K over five years and also generated additional contributions towards the Village Square project.

2nd Term 2013 - 2018

BID levy payers voted by a 66% majority to renew Kings Heath BID applying a 1.5% levy to circa 312 hereditaments generating £120K each year (£600K over five years).

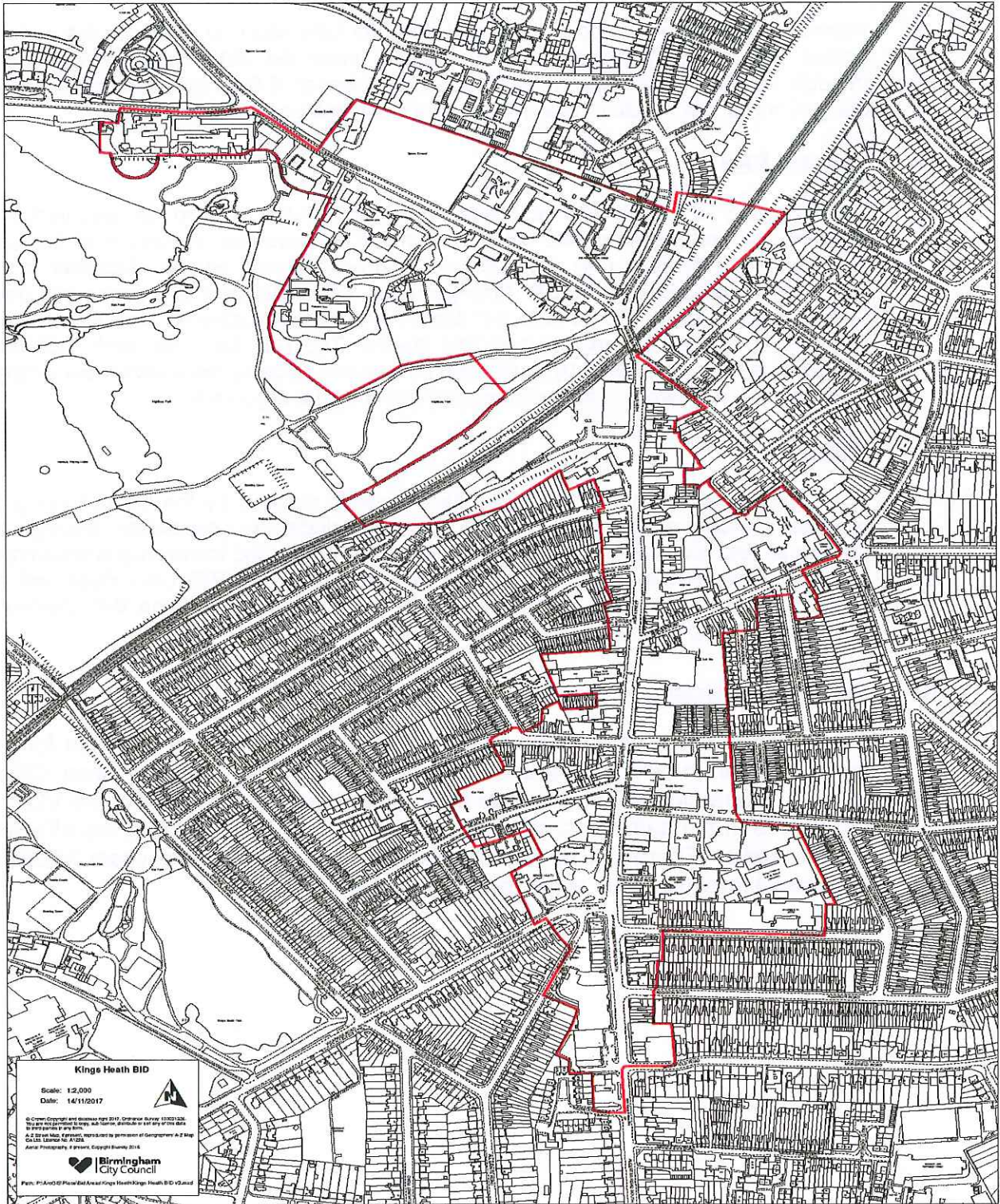
The emphasis for the second term as outlined in the business plan focused on intensive community involvement in the BID until mid-term and this was reflected in the chosen project themes.

In recent years, the BID has refocused on a more business led agenda responding to the needs of the business community in line with the ethos of BIDs and also respecting that it is businesses who contribute the majority of BID income. Over the last five years, the project achievements are as follows:

Theme 1: A Better Place To Do Business

- Employed a security warden making Kings Heath a safer place to work and shop. The warden has provided a strong security presence on the High Street; duties include liaising with businesses to address concerns and crack down on anti-social behaviour, shoplifters and beggars as well as overseeing the popular Storenet radio scheme (41 radios in use)

Schedule 2 – BID3 Area



9.0 **Merging or Splitting of a Hereditament**

Where a Hereditament is split or merged, the BID Levy shall be made on the revised entries. If the Hereditament is split or merged under the 2017 Valuation List those rateable values will be used in the calculation. However, if the Hereditament is split or merged only under the 2017 rating list, the BID Levy will be based on that list.

10. **Payment Date**

The BID Levy is a daily charge based on rateable value. It is to be paid in full in advance, the first payment date being 1st April, 2018, thereafter 1st April in all financial years or within fourteen (14) days of a demand notice being served whichever is the later. For the purposes of the BID Arrangements, a financial year is a period 365 days (366 in a leap year) – 1st April to 31st March inclusive. Adjustments will be made for changes in occupation and revised bills issued. The BID Levy for each individual ratepayer is to be calculated by multiplying its rateable value by the relevant percentage in **Paragraph 4** above and apportioned dependent on the days liable.

11. **Recovery**

The non-payment of the BID Levy will be effectively pursued by the Council using all practical available enforcement options. This will include: the preparation, issuing and serving of summonses; the use of bailiffs; committal action and insolvency proceedings. All of these actions may incur additional costs for which the BID Levy Payer will be liable; if these actions are required, the Council would liaise with the BID Company before proceeding and applying the costs.

12. **Valuation Alterations**

Any changes in rateable value will be reflected in the BID levy payment for the financial year in which notifications are received from the Valuation Office Agency. Alterations will be effective from either the date provided by the VOA, if the date is in the same financial year or from 1 April of that year if the effective date is earlier. There will be no refunds given for retrospective years following successful rateable value appeals by ratepayers.

5. **Administration and Collection**

The Council will be responsible for the imposition, administration, collection and recovery of the BID Levy. Collection of the levy carries the same enforcement weight as collection of the non-domestic rates.

6. **Annual Adjustment**

There will be no adjustments to the BID Levy at the start of the financial year (1st April) regardless of any annual inflationary/deflationary factor for local non-domestic rate bills as calculated by the Government. This will remain fixed for the duration of the BID Term which ends on 31st March 2023. The Council shall provide the BID Company with a statement as to the change no later than 1st April in each financial year.

7. **Removal of Hereditament**

If a Hereditament is removed from the Valuation Office rating list for the financial year period, the BID Levy will be calculated by the Council on the basis of a daily BID Levy liability up to the date the Hereditament was removed.

8. **New Hereditaments**

8.1 If there are any new Hereditaments in the BID Area raised following the Operational Date the occupiers will be liable to pay a BID Levy based on the new rateable value applying to such Hereditaments. Where a new assessment is brought into the rating list, the BID Levy will apply from the effective date as shown in the rating list.

8.2 New Hereditaments which are identified in the Financial Year listed in the New Hereditaments Table will have a BID Levy based on the Rating Value Date applicable to such Financial Year in the New Hereditaments Table based on the 2017 rating value list.

New Hereditaments Table	
Financial Year	Rating Value Date
01.04.18 to 31.03.19	31.03.18 – 2017 Rating list
01.04.19 to 31.03.20	31.03.19 – 2017 Rating list
01.04.20 to 31.03.21	31.03.20 – 2017 Rating list
01.04.21 to 31.03.22	31.03.21 – 2017 Rating list
01.04.22 to 31.03.23	31.03.22 – 2017 Rating list

Schedule 1 – The BID3 Levy Rules

1. General

The Local Government Act 2003 enables the local authority to issue a demand for a BID Levy. The BID Levy is collected by the Council in a single instalment and held in a separate account for the exclusive use of the BID. These arrangements will be formalised in an operating agreement that both parties sign. The liable person to pay the BID Levy is the ratepayer liable for non-domestic rates in respect of the Hereditament.

2. Non-Domestic Rate Payers

The BID Levy will be applied to all non-domestic ratepayers with Hereditaments in the BID Area who are identified in the 2017 valuation list issued by the Valuation Officer Agency.

3. Chargeable Period

The chargeable period will be the BID Term namely a period of five (5) years from 1st April 2018 to 31st March 2023.

4. Percentage Levy

4.1 A 1.75% BID Levy will be applied to rateable values listed in the 2017 Local Non-domestic Rating List as at 1st April 2018. Adjustments will be made to levy charges for rateable value changes not reflected in the rating list as at 1st April 2018 as outlined in clause 12. There will be no inflation charged on the levy.

4.2 All businesses will be liable to pay the BID Levy (with the exception of those businesses who have a rateable value of £4,999 or less or those hereditaments whom are NHS Trust ratepayers).

4.3 There will be no VAT charged on the BID Levy.

4.5 The BID Levy will be based on the 2017 Local Non-Domestic Rating List throughout the BID's third term.

4.6 No BID Levy relief will be given regarding a void/unoccupied or derelict premises (hereditament) at the time of the ballot.

4.7 Where there is no existing occupational lease, the liability for payment of the BID Levy will fall to the property owner until a new lease is confirmed.

4.8 The BID levy will not be affected by the small business rate relief scheme, service charges paid to landlords, exemption relief or discount periods in the Non-Domestic Rates Regulations 1989 made under the Local Government Finance Act 1988

4.9 Hereditaments that are let for non-commercial purposes are also liable for the levy whilst they remain listed on the non-domestic ratings list

16.3 **Arbitration**

Save where the parties have agreed in writing that a decision under **Clause 16.1** or an agreement reached at or during mediation under **Clause 16.2** as appropriate, is to be final and binding, either party may refer the dispute to arbitration before a single arbitrator as follows:

16.3.1 If the parties shall fail to agree upon an arbitrator within twenty eight (28) days of one party serving upon the other a written notice to concur in the appointment of an arbitrator, then the arbitrator shall be appointed by the President or the Vice President of the Chartered Institute of Arbitrators.

16.3.2 The Arbitration Act 1996 shall apply to such arbitration.

16.3.3 The arbitrator shall have power to open up, review and revise any certificate, opinion or decision of the Council.

16.3.4 The parties hereby agree and consent pursuant to Sections 45(2)(a) and 69(2)(a) of the Arbitration Act 1996 that either party;

16.3.4.1 may appeal to the High Court on any question of law arising out of an award made in an arbitration under this Agreement;

16.3.4.2 may apply to the High Court to determine any question of law arising in the course of the reference;

and the parties agree that the High Court should have jurisdiction to determine any such question of law.

16.3.5 **Subject to Clause 16.3.4**, the award of the arbitrator shall be final and binding on the parties.

16.3.6 The parties agree that the maximum recoverable costs which may be awarded to the successful party in the arbitration shall not exceed one half of the sum claimed by the Claimant in the arbitration ("**the Claim Sum**"). The Claim Sum is the aggregate of the total damages specified in the Claimant's Points of Claim or Statement of Case, and the total interest so specified (excluding in both cases any sums which are not quantified) notwithstanding any subsequent amendment of the same.

16.3.7 The parties agree pursuant to Sections 61 and 62 of the Arbitration Act 1996 that, if the total sum (including interest) awarded to the Claimant in the arbitration (less any sum (including interest) awarded to the Respondent in a counterclaim in the arbitration) does not exceed 20% of the Claim Sum as defined by **Clause 16** then the arbitrator in determining how costs are to be allocated shall not (if he is minded to make an award in the Claimant's favour) award the Claimant more than the lesser of: -

16.3.7.1 50% of the maximum recoverable costs as defined and limited by reference to **Clause 16.3.6**.

16.3.7.2 50% of the Claimant's recoverable costs.

- 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 References to the Council include its successors to its functions as a billing authority.
- 13.4 A reference to any Act of Parliament or to any Order, Regulation, Statutory Instrument, or the like shall include a reference to any amendment or re-enactment of the same.
- 13.5 This Agreement constitutes the entire agreement and understanding of the parties as to the subject of this Agreement and, save as may be expressly referred to or referenced in this Agreement supersedes all prior representations, writings, negotiations or understandings with respect to this Agreement except in respect of any fraudulent misrepresentation made either by the Council or the BID Company.

14 **Rights and Duties Reserved**

For the avoidance of doubt it is hereby agreed and declared that nothing in this Agreement, express or implied, shall prejudice or affect the Council's rights, powers, duties and obligations in the exercise of its functions as a local authority and the rights, powers, duties and obligations of the Council under all public and private statutes, bye-laws, orders, regulations and statutory instruments may be fully and effectively exercised in relation to the subject matter of this Agreement and any consent, approval, licence or permissions required under this Agreement unless stated otherwise shall be in addition to, and not in substitution for, any consent, approval, licence or permissions required to be obtained under any statute, bye-laws or other Legislation.

15 **Contracts (Rights Of Third Parties) Act 1999**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement. Therefore a person who is not a party to this Agreement shall not be able to enforce any of its terms against either the Council or the BID Company.

16 **Dispute Resolution**

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

16.1 **Resolution by Senior Officers**

Any dispute or difference of any kind whatsoever arising between the parties out of or in connection with this Agreement shall first be discussed by the Chairman of the BID Company and the Council's Strategic Director of Economy - Major Programmes (or their respective nominated representatives).

16.2 **Mediation**

If the parties are unable to resolve the dispute under **Clause 16.1** they may decide to refer the dispute to mediation on the terms of the latest model mediation procedure produced by the Centre for Effective Dispute Resolution, subject to the proviso that any such mediation shall be completed within four (4) weeks of referral (or such longer period as the parties may agree).

ADDRESS TABLE			
	POSTAL ADDRESS	FACSIMILE TRANSMISSION No.	E-MAIL ADDRESS
Council	Birmingham City Council, Economy Directorate, Customer Services Division, Revenues Department, P.O. Box 5, Birmingham, B4 7AB	0121 303 1338	revenuesclientteam@birmingham.gov.uk
BID Company	1a Station Road Kings Heath Birmingham	-	

- 12.3 The Council and the BID Company may by notice to the other party change its address for service as indicated in **Clause 12.2** or in any previous notice issued under **Clause 12.3** take effect no earlier than seven (7) days from the service of such notice.
- 12.4 Any notice served in accordance with **Clause 12** shall be presumed to have been received at the time stated in the Service Table: -

SERVICE TABLE			
	METHOD OF SERVICE	TIME OF RECEIPT	ADDITIONAL FORMALITIES REQUIRED
1.	Personal Service	Time of service	None
2.	First Class or Recorded Delivery Post	On the second Working Day after the date of posting	None

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 the parties shall endeavour to agree an amendment to the Agreement and if they fail to reach agreement, either party may institute the Dispute Regulations Procedures.

11.6.1 The BID Company shall only undertake processing of Personal Data reasonably required in connection with the BID3 Arrangements and shall not transfer any Personal Data to any country or territory which is not an EEA state.

11.6.2 The BID Company shall not disclose Personal Data to any third parties other than:

11.6.2.1 to employees to whom such disclosure is reasonably necessary in order for the BID Company to carry out the BID3 Arrangements

11.6.2.2 to the extent required under a court order,

provided that disclosure under **Clause 11.6.2.1** is made subject to written terms substantially the same as, and no less stringent than, the terms contained in this **Clause 11.6** and that the BID Company shall give notice in writing to the Council of any disclosure of Personal Data it is required to make under **Clause 11.6.2.2** immediately it is aware of such a requirement.

11.6.3 The BID Company shall bring into effect and maintain all technical and organizational measures to prevent unauthorised or unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data including but not limited to take reasonable steps to ensure the reliability of staff having access to the Personal Data and the Council may be entitled to obtain from the BID Company, at reasonable intervals (but not more than once in any Financial Year), a written description of such technical and organisational methods.

11.6.4 In order to comply with the Data Protection Act 1998, the parties shall enter into a Data Sharing Agreement within one (1) month of the execution of this Agreement. The manner in which the data is to be shared and the main responsibilities of each party will be addressed in the Data Sharing Agreement.

12. **Notices**

12.1 Any notice shall be sufficiently served if served personally on the addressee, or if sent by prepaid first class or recorded delivery post to the correct address set out in **Clause 12.2**.

12.2 The Council's and the BID Company's addresses are as set out in the Address Table:

- 11.2.13 any disclosure made by a party where it has requested the owning party to consent to such disclosure and the owning party has either: -
- 11.2.13.1 failed to respond within 10 Working Days of the issue of such request;
 - 11.2.13.2 refused such request and has failed to set out its reasons for such refusal; or
 - 11.2.13.3 unreasonably refused to grant such consent or has granted it on terms or subject to conditions which are unreasonable;
 - 11.2.14 any disclosure made following the Confidentiality Expiry Date.
- 11.3 Where disclosure is permitted under **Clause 11.2**, other than **Clauses 11.2.4, 11.2.7, 11.2.8** and **11.2.12**, the recipient of the information shall be made subject to the same obligation of confidentiality as that contained in this Agreement.
- 11.4 For the purposes of the Audit Commission Act 1998 the District Auditor may examine such documents as he may reasonably require which are owned, held or otherwise within the control of the BID Company and may require the BID Company to produce such oral or written explanation as he considers necessary.
- 11.5 CLA may investigate complaints of injustice in consequence of maladministration against the Council under the Local Government Act 1974 which can include complaints relating to the BID3 Arrangements. If such a complaint is made the BID Company shall:
- 11.5.1 fully and promptly answer whether oral or written communications from the CLA and shall send the Council a copy of any communication to the CLA at the same time as it is sent to the CLA;
 - 11.5.2 co-operate fully and courteously in any investigation by the CLA;
 - 11.5.3 fully and promptly respond to any communication from the Council concerning the complaint so that the Council may answer any issue raised by the CLA directly with the Council;
 - 11.5.4 Pay to the Council any compensation paid as a result of a finding of maladministration if and to the extent that maladministration was caused to by any act or omission of the BID Company subject to a maximum of two thousand pounds.
- 11.6 In relation to all Personal Data, the BID Company shall at all times comply with the DPA as a data controller if necessary, including maintaining a valid and up to date registration or notification under the DPA covering the data processing to be performed in connection with the BID3 Arrangements.

11. **Confidentiality**

11.1 The parties shall not disclose any Confidential Information and shall use all reasonable endeavours to prevent their employees and agents from making any disclosure to any person of any Confidential Information.

11.2 **Clause 11** shall not apply to:

11.2.1 any disclosure of Confidential Information that is reasonably required by persons engaged in the performance of its obligations under the Agreement;

11.2.2 any Confidential Information which a party can demonstrate is already generally available and in the public domain otherwise than as a result of a breach of this **Clause 11**;

11.2.3 any disclosure to enable a determination to be made under the Dispute Resolution Procedures;

11.2.4 any disclosure which is required by any Legislation (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law;

11.2.5 any disclosure of Confidential Information which is already lawfully in the possession of the receiving party, prior to its disclosure by the disclosing party;

11.2.6 any disclosure of Confidential Information by the Council to any other Relevant Authority;

11.2.7 any disclosure for the purpose of the examination and certification of a party's accounts;

11.2.8 any examination pursuant to the Audit Commission Act 1998 of the economy, efficiency and effectiveness with which the Council has used its resources;

11.2.9 disclosure to a party's professional advisers;

11.2.10 disclosure to the Council's members;

11.2.11 any disclosure required or permitted by the Freedom of Information Act 2000 or in compliance with the FOIA Scheme;

11.2.12 any disclosure made by a party following the prior written consent of the party owning the Confidential Information;

provided that notice by the Council to terminate the BID shall be provided to the BID Company no less than twenty eight (28) days prior to termination taking place.

10.5 Upon termination of the BID3 Arrangements the Council shall ascertain whether there is a credit in the BID3 Revenue Account and in the event that there are sufficient funds in the BID3 Revenue Account amounting to a refund of at least £5 for each BID Levy Payer (having already deducted a reasonable sum for the administration of such refund) then the Council shall:

10.5.1 calculate the amount to be refunded to each BID Levy Payer;

10.5.2 ensure that the amount to be refunded is calculated by reference to the amount payable by each BID Levy Payer for the last chargeable period; and

10.5.3 make arrangements for the amount calculated to be credited against any outstanding liabilities of each BID Levy Payer or, where there are no such liabilities, refunded to the BID Levy Payer.

10.6 Upon termination of the BID the Council shall notify the BID Levy Payers of such termination in accordance with Regulation 18(6) of the Regulations together with confirmation as to whether any part of the BID Levy is to be repaid to BID Levy payers in accordance with **Clause 10.5**.

10.7 The BID Company shall not terminate the BID3 Arrangements if:

10.7.1 the works or services under the BID3 Arrangements are no longer required;
or

10.7.2 the BID Company is unable, due to any cause beyond its control to provide works and services which are necessary for the BID to continue;

unless and until it shall have first served a written notice on the Council setting out its intention to do so and setting out full particulars as to how such decision has been reached and allowed the Council at least twenty eight (28) days to submit written representations for consideration by the BID Company and thereafter carried out a proper consultation with all relevant representatives, including representatives of the business community of the BID3 Area as considered appropriate by the Council.

10.8 Upon termination of the BID3 Arrangements the BID Company shall notify the Council of such termination in accordance with Regulation 18(5) and the Council shall notify the BID Levy Payers pursuant to Regulation 18(6) together with confirmation as to whether any part of the BID Levy is to be repaid to BID Levy Payers in accordance with **Clause 10.5**.

10 Termination

- 10.1 The Council may not terminate the BID3 Arrangements under Regulation 18(1)(a) of the Regulations unless it shall have first served written notice on the BID Company and, in addition to holding a Public Meeting, shall have met with the BID Company as soon as is reasonably practicable to discuss and review the following:
- 10.1.1 the basis of the Council's view that the BID Company has insufficient finances to meet its liabilities for the relevant period;
 - 10.1.2 the amount of its funds; and
 - 10.1.3 alternative means by which the deficit can be remedied, and shall have allowed the BID Company a reasonable timescale within which to specify a financial solution that is acceptable to the Council.
- 10.2 The Council may not terminate the BID3 Arrangements under Regulation 18(1)(b) of the Regulations unless it shall have first served written notice on the BID Company setting out its intention to do so and shall have met with the BID Company as soon as is reasonably practicable to discuss and review the following:
- 10.2.1 the services or works which the Council is no longer able to provide together with confirmation and details as to why such works or services cannot be provided;
 - 10.2.2 whether such works or services are of material importance to the BID so that termination of the BID3 Arrangements is the only option;
 - 10.2.3 alternative means of procuring the said services or works by third parties or increased financial funding from the BID Company; and
 - 10.2.4 alternative replacement services or works which will be acceptable to the BID Company;
- and shall have afforded the BID Company a reasonable timescale within which to specify a practical solution that is acceptable to the Council.
- 10.3 If the BID Company shall fail to attend a meeting at a time specified by the Council on a Working Day following the giving of five (5) Working Days' notice then the Council shall have discharged its obligations under **Clause 10.1** or **10.2** as appropriate to meet with the BID Company.
- 10.4 In the event that the Council is not satisfied with the solutions offered by the BID Company under **Clauses 10.1** or **10.2** as appropriate or if no solution is offered, and subject to consideration of representations made by any BID Levy Payer at the Public Meeting then the Council shall be permitted to terminate the BID3 Arrangements

8.4 The Council shall pay such BID Levy amounts as owed upon receipt of an invoice from the BID Company, such invoice to be submitted no less than ten (10) Working Days prior to any Advance Payment dates and/or Balancing Payment dates. The Council shall pay such BID Levy amount within ten (10) Working Days of receipt of the invoice. VAT should be charged on each invoice. The Council shall pay interest on any overdue amount at the rate of 2% above the base rate of Barclays Bank plc from the date that the amount became due until date of payment.

9 **Performance Monitoring**

9.1 On 30th June in each Financial Year, the Council shall provide the BID Company with an accurate and up to date report setting out in respect of the previous Financial Year the following information:-

- 9.1.1 the amount of BID Levy for each individual BID Levy Payer;
- 9.1.2 the BID Levy collected in relation to each BID Levy Payer;
- 9.1.3 details (together with the outstanding unpaid sum) of those BID Levy Payers who have not paid the BID Levy in full;

Additional Information

9.2 On 31st July in each Financial Year, the BID Company shall provide the Council with an accurate and up to date report containing the following details for the previous Financial Year:

- 9.2.1 The annual financial statements of the BID Company);
- 9.2.2 The total expenditure by the BID Company on each head of expenditure and services in the BID3 Proposals;

9.3 The Parties shall review the operation of this Agreement and shall meet within six (6) weeks of the Bid Company's report under **Clause 9.2** in order to:

- 9.3.1 review the effectiveness of the collection and enforcement of the BID Levy;
- 9.3.2 review and assess the information provided by the Council and the BID Company pursuant to **Clauses 9.1** and **9.2**;
- 9.3.3 make any recommendations for implementation as may be agreed (and which are permitted by the Regulations and this Agreement);
- 9.3.4 consider whether any changes are required to this Agreement as a result of the review and any guidance issued by the Department for Communities and Local Government.

- 6.4 The Council shall use all reasonable endeavours, which are consistent with its usual procedures for the collection of non-domestic rates, to collect the BID Levy on the date specified (pursuant to **Clause 6.1**) and thereafter on an annual basis and in accordance with the procedure set out in Schedule 4 of the Regulations.

7 Enforcement of payment of the BID Levy

- 7.1 In the event that the BID Levy is not paid by a BID Levy Payer within fourteen (14) days from the date that it becomes payable then (subject to the exceptions or as may otherwise be agreed between the parties) the Council shall serve a Final Notice on such relevant BID Levy Payer which shall:-

7.1.1 identify the sum payable;

7.1.2 provide a further seven (7) days for payment to be made;

7.1.3 confirm that the Council will apply to the Magistrates' Court for a Liability Order to recover the unpaid Bid Levy (together with costs).

- 7.2 If after a further seven (7) days from the payment date stated in the Final Notice the outstanding amount of the BID Levy has not been paid by the Bid Levy Payer, the Council shall make an application to the Magistrates' Court for a Liability Order to recover the outstanding sum of the BID Levy as is permitted by the Regulations and the 1989 Regulations.

- 7.3 If payment is not made after a minimum of twenty-one (21) days following the grant of a Liability Order then the case will be passed to the Council's appointed debt recovery agents for recovery of the debt.

8 Payment to the BID Company and Reconciliation

- 8.1 No later than 10 (ten) Working Days following the Execution Date or Operational Start Date (whichever is the later), the Council shall pay the BID Company the First Advance Payment. In the following Financial Years the Council shall pay the BID Company the First Advance Payment no later than the 1st May in each of those Financial Years.

- 8.2 No later than 10 (ten) Working Days after the sixth month following the Execution Date or Operational Start Date (whichever is the later) the Council shall pay the BID Company the Second Advance Payment. In the following Financial Years the Council shall pay the BID Company the Second Advance Payment on 1st October of such Financial Years.

- 8.3 Except in the first year, no later than 25 July after the end of each Financial Year, the Balancing Payment shall be payable. If it is negative, it shall be payable to the Council by the BID Company, and, if it is positive, it is payable by the Council to the BID Company.

to the BID Company under **Clause 8** is spent effectively, efficiently and economically in accordance with the BID3 Proposals.

- 3.3 If the BID Company shall fail to comply with its obligations under **Clause 3.2** the Council may withhold the First Advance Payment until such time as a copy of the internal financial control arrangements have been produced.

4 The BID3 Revenue Account

- 4.1 The Council shall set up the BID3 Revenue Account and confirm in writing to the BID Company that the BID3 Revenue Account has been set up.
- 4.2 The BID Company shall provide the Council with details of its own bank account into which payments are to be made by the Council under **Clause 8**.

5 Debits from the BID3 Revenue Account

- 5.1 The Council shall not seek reimbursement from the BID Company of any of the costs of collecting the BID Levy and agrees that it shall only debit:

5.1.1 Sums equal to the First Advance Payment, the Second Advance Payment and the Balancing Payment under **Clause 8**; and

5.1.2 Bad or Doubtful Debts;

from the BID3 Revenue Account and if to the extent the Council is required by the Regulations to debit any further sums from the BID3 Revenue Account it shall immediately credit an equal sum to the BID3 Revenue Account.

6 Collecting the BID Levy

- 6.1 The Council shall serve a Demand Notice on each BID Levy Payer and shall continue to calculate the BID Levy and serve a Demand Notice in each Financial Year of the BID3 Term.
- 6.2 The Council shall maintain an accurate and up to date list which identifies payment and/or non payment of the BID Levy and shall make this available to the BID Company no later than the 5th Working Day of each month during each Financial Year.
- 6.3 If the BID Company determines that there has been a change which may affect the amount of the BID Levy for the current or a future financial year or is aware of any change in the occupier of a hereditament or the merger or division of a hereditament (or provision of an additional hereditament) the BID Company shall inform the Council in writing accordingly In accordance with Council procedures any appropriate changes will then be made to the BID Company's account by the Council.

“Relevant Authority” means any court with the relevant jurisdiction and any local, national or supra-national agency, inspectorate, minister, ministry, official or public or statutory person of the government of the United Kingdom or of the European Union;

“Second Advance Payment” means the sum calculated by multiplying the total BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules by 95%, in each case less the amount of the First Advance Payment for such Financial Year;

“Working Day” means a day (other than a Saturday or a Sunday) on which banks are open for domestic business in the city of London;

the **“1989 Regulations”** means the Non Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 SI 1989 No 1058.

2 Statutory Authority and Interpretation

2.1 This Agreement is made pursuant to Part 4 of the Local Government Act 2003 and the Regulations.

2.2 This Agreement shall be interpreted according to the following provisions, unless the context requires a different meaning:

2.2.1 words importing persons shall, where the context so requires or admits, include individuals, firms, partnerships, trusts, corporations, governments, governmental bodies, authorities, agencies, unincorporated bodies of persons or associations and any organizations having legal capacity;

2.2.2 references to any statutes and statutory instruments are to be construed as references to those statutes and statutory instruments as from time to time amended or to any statutes and statutory from time to time replacing, extending, consolidating or amending the same.

3 Calculating the BID Levy and BID Internal Control Arrangements

3.1 No later than fourteen (14) days prior to 1st April in each Financial Year, the Council shall:-

3.1.1 Calculate the BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules; and

3.1.2 Confirm in writing to the BID Company the BID Levy payable annually by each BID Levy Payer.

3.2 The BID Company shall, within twenty (20) Working Days of the 15th February in each Financial Year, supply the Council with a copy of its internal financial control arrangements which are designed to ensure that the BID Levy as passed by the Council

IN WITNESS of which this Agreement has been executed by the parties as a DEED

136543

THE COMMON SEAL OF
BIRMINGHAM CITY COUNCIL
was affixed to this Deed
in the presence of:-

)
)
)
)



S. BHOPAL

Authorised signatory

.....

EXECUTED as a deed by
KINGS HEATH BUSINESS IMPROVEMENT DISTRICT by:

Frank Nutt 10-4-2018.
Director

 10/4/18
Director/Company Secretary

