

OPERATING AGREEMENT

Dated

Herefordshire Council

(the Council)

Hereford BID

(the BID Company)

Contents

1	Definitions	2
2	Statutory Authorities	6
3	Commencement	6
4	Setting the BID Levy	6
5	The BID Revenue Account	6
6	Debits from the BID Revenue Account	7
7	Collecting the BID Levy	8
8	Procedures available to the Council for enforcing payment of the BID Levy	9
9	Enforcement Mechanisms for non-collection of the BID Levy by the Council	9
10	Accounting Procedures and Monitoring	10
11	Termination	11
12	Confidentiality	14
13	Notices	14
14	Miscellaneous	15
15	Exercise of the Council's powers	15
16	Contracts (Rights Of Third Parties)	15
17	Arbitration	15
	Schedule 1– The BID Levy Rules	17
	Schedule 2 – Breakdown of Council's Annual BID Levy collection and administration charge	21
	Schedule 3 – BID Area Map	22
	Schedule 4 – Exceptions to Collection Enforcement	23

Operating Agreement

Dated

Between

- (1) **Herefordshire Council** (the Council) of Plough Lane, Hereford, HR4 0XH; and
- (2) **Hereford BID** (the BID Company) registered as a company limited by guarantee in England with number ** whose registered office is at **]

Recitals

- A The Council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for collecting the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID within the area of the Council and the funding of the BID Arrangements
 - B The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in 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
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It is agreed:

1 Definitions

the Annual Report means a report to be prepared by the Council which details the following:-

- (i) the total amount of BID Levy collected during the relevant Financial Year;
- (ii) the total amount of interest earned on any part of the BID Levy whilst held in the BID Revenue Account
- (iii) details of the success rate for the collection of the BID Levy;
- (iv) the Council's proposals (if any) to help improve its efficiency in the collection and enforcement of the BID Levy; and
- (v) details of those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy.
- (vi) the Council's proposals for bad or doubtful debts

the Appeal Notice means a notice to be served by the BID Company in accordance with clause 9.2

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

the Ballot Result Date means the date upon which a successful ballot result has been declared in favour of putting in place the BID Arrangements

the BID means the Business Improvement District which operates within the area inside the red line shown on the map of Hereford annexed at **Schedule 4** and which is managed and operated by the BID Company

the BID 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:-

- (a) the total income and expenditure of the BID Levy;
 - (b) other income and expenditure of the BID Company not being the BID Levy;
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- (c) a statement of actual and pending deficits; and
- (c) the various initiatives and schemes upon which the BID Levy has been expended by the BID Company

the BID Company's Termination Notice means a notice to be served by the BID Company on the Council pursuant to clause 11.8

the BID Levy means the charge to be levied and collected within the BID 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 annexed at Schedule 1 which sets out how the BID Levy will be calculated, details of Exempt or Discounted Properties and other requirements related to the BID Levy (as may be amended by a successful alteration ballot)

the BID Revenue Account means the interest bearing account to be set up in accordance with Regulation 14 and operated in accordance with Schedule 3 of the Regulations

the BID Term means the period of 5 years from 1/4/2015 to 31/3/2020

the Council's Termination Notice means the notice to be served by the Council on the BID Company pursuant to Clause 11.1

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 paragraphs 3 of Schedule 4 of the Regulations

Electronic Communication means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa):

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
 - (b) by other means but while in electronic form
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the Enforcement Expenses means the costs which are incurred by the Council in issuing Reminder Notices, obtaining Liability Orders and associated administrative expenses which may be incurred in recovering unpaid BID Levy

the Enforcement Notice means a notice to be served on the Council as specified in Clause 9

the Exceptions means the circumstances in which the Council shall not be required to seek to enforce payment of the BID Levy where a BID Levy payer has failed to make payment pursuant to a Demand Notice. The exceptions are as further set out in Schedule 5

the Exempt or Discounted Properties means those class or classes of properties as identified in the BID Levy Rules which shall be exempt either from any requirement to pay the BID Levy or are permitted a discount on the BID Levy

the Financial Year means the financial year for the BID Company which runs from April to March

Hereditament shall have the same meaning as defined in the Regulations

Liability Order means an order obtained from the Magistrates Court

the Monitoring Group means the group to be set up to monitor the collection and enforcement of the BID Levy (as referred to in Clause 10) such group to consist of up to three Council officers and up to three representatives from the BID Company

the Operational Date means the date upon which the BID Arrangements come into force

the Public Meeting means the meeting to be held of all BID Levy Payers pursuant to the Public Meeting Notice

the Public Meeting Notice means a notice to be served pursuant to Clause 11.1 or 11.8 by either the Council or the BID Company which provides the following:-

- (a) confirmation that either party is considering terminating the BID;
 - (b) details of the venue where the public meeting will be held;
 - (c) confirmation that all BID Levy Payers who attend will be permitted to make representations
-

the Regulations means the Business Improvement Districts (England) Regulations [2004] and such amendments made by the Secretary of State pursuant to Section 48 of the Local Government Act 2003 (from time to time)

the Reminder Notice means the notices to be served pursuant to Clause 8.1

the Services means the collection of the BID levy by Herefordshire Council, its prompt payment to Hereford BID Company, any associated reporting and enforcement to facilitate the collection of the BID levy and any other ancillary duties as specified in this agreement.

Single Instalment Due Date means the date by which the BID Levy must be paid as set out in the Demand Notice

The Works means the projects delivered by the BID Company as set out in its Business Plan and the associated management and administration of the BID.

2 Statutory Authorities

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

3 Commencement

- 3.1 This Agreement is conditional upon and shall not take effect until the Ballot Result Date.
- 3.2 In the event that the BID Arrangements are not voted in by the BID Levy Payers on the Ballot Result Date then this Agreement shall determine and cease to be of any further effect between the parties
- 3.3 If, at the end of the BID Term a renewal ballot is held and is successful then the terms of this Agreement shall continue to be of effect and the BID Term shall thereafter be construed as the new term

4 Setting the BID Levy

- 4.1 Immediately upon the Ballot Result Date the Council shall:-
- (i) calculate the BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules; and
 - (ii) confirm in writing to the BID Company the BID Levy payable annually by each BID Levy Payer

5 The BID Revenue Account

- 5.1 Within seven days from the Ballot Result Date the Council shall set up the BID Revenue Account and provide written confirmation to the BID Company once this has been carried out together with details of the account number sort code and any other details which the BID Company may specify
- 5.2 Within seven days from the Ballot Result Date the BID Company shall provide the Council with details of its own bank account into which the BID Levy shall be transferred electronically from the BID Revenue Account on production of an invoice by the BID Company in accordance with clause 7.
- 5.3 Interest earned on money in the BID Revenue Account shall form part of the BID Levy and be payable to the BID Company
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6 Debits from the BID Revenue Account

6.1 The Council shall not debit directly from the BID Revenue Account:-

- (i) the collection charges
- (ii) the Enforcement Expenses; or
- (iii) any deductions which in the Council's opinion are Bad or Doubtful Debts

6.2 The Council's charge for the provision of the Services will be £xxx per hereditament per year (excluding VAT) representing its reasonable administrative costs in providing Services increased by the relevant RPI yearly and having effect on the 1st April of each year for which a BID is in place. Following receipt by the BID Company of a valid VAT invoice, the first payment will be due together with VAT thereon on the 30th April, or later by agreement.

6.4 The Council shall recover the Enforcement Expenses from the liable BID levy payer, in accordance with Clause 8.

6.5 The Council shall not be entitled to recover Enforcement Expenses from the BID Company.

7 Collecting the BID Levy

- 7.1 Within 14 (fourteen) days of the Ballot Result Date the Council shall confirm in writing to the BID Company the date when the BID Levy shall first be collected (such date to be at least 14 days in advance of the Operational Date)
 - 7.2 The Demand notices shall be a separate bill and shall not be combined with the Business Rate bill.
 - 7.3 Pursuant to clause 7.1 the Council shall serve the Demand Notices on each BID Levy payer and thereafter shall continue to calculate the BID Levy and serve the Demand Notices throughout the BID Term
 - 7.4 The Council shall maintain a list which identifies payment and/or non-payment of the BID Levy and shall make this available to the BID Company upon its reasonable request.
 - 7.5 The Council shall liaise with the BID Company in carrying out monthly reviews of each Hereditament within the BID Area and in the event of any change in the occupier of each Hereditament or the merger or division of a Hereditament (or provision of an additional Hereditament) shall:
 - (a) serve an updated list of BID Levy payers upon the BID Company;
 - (b) serve a Demand Notice (or alter any existing Demand Notice if appropriate) on the relevant BID Levy Payer
 - 7.6 The Council shall use all reasonable endeavours to collect the BID Levy on the date specified (pursuant to clause 7.1 above) and thereafter on an annual basis and in accordance with the procedure set out in Schedule 4 of the Regulations
 - 7.7 The Council shall use all reasonable endeavours to collect the BID Levy which are consistent with its usual procedures for the collection of non-domestic rates
 - 7.8 Every month thereafter the Council shall inform the BID company of the total amount of BID Levy monies collected in each calendar month
 - 7.9 The BID Company shall raise an invoice for the BID levy collected in each calendar month plus VAT to the Council every month or less frequently should the BID Company so decide. This invoice to be based on the total amount of BID levy collected for the month to which the invoice relates.
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8 Procedures available to the Council for enforcing payment of the BID Levy

8.1 In the event that the BID Levy is not paid fourteen days after the Single Instalment Due Date then (subject to the Exceptions or as may otherwise be agreed between the parties) the Council shall serve a Reminder Notices on such relevant BID Levy Payer in line with the periods set out in the Hereford BID Levy Rules which shall:-

- (i) identify the sum payable;
- (ii) provide a period for payment to be made;
- (iii) inform the BID Levy Payer that interest and costs will be added to any unpaid BID Levy calculated from the Single Instalment Due Date
- (iv) inform the BID Levy Payer that in the event of continued non payment the Council will make an application to the Magistrates Court for a Liability Order to recover the unpaid sum together with interest and costs.

8.2 If after a further fourteen days from the payment date stated in the Final Reminder Notice the outstanding sum of the BID Levy has not been paid the Council may 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 Non Domestic Rating (Collection & Enforcement) (Local Lists) Regulations 1989 (as amended)

9 Enforcement Mechanisms for non-collection of the BID Levy by the Council

9.1 In the event that the Council is not enforcing payment of the BID Levy pursuant to Clause 8 above the BID Company shall serve the Enforcement Notice on the Council requesting that:-

- (i) it serve a Reminder Notice; or
 - (ii) it obtains a Liability Order pursuant to Clause 8.2 above
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within 14 (fourteen) days of receipt of such Enforcement Notice and the Council shall thereafter provide written confirmation of the action taken to recover the unpaid BID Levy

9.2 If after being served an Enforcement Notice the Council fails to take the requested action within the specified time frame then the BID Company shall serve an Appeal Notice to the Chief Executive of the Council. Such notice shall:-

- (i) detail the sum which remains unpaid;
- (ii) confirm that the Council has failed to use the enforcement mechanisms available to it under this Agreement to recover the sum; and
- (iii) request a meeting take place between the Chief Executive, relevant officers of the Council and BID Company to achieve a solution and/or agree a strategy to recover the outstanding sum such meeting to take place in any event no later than 28 (twenty eight) days from service of the Appeal Notice

9.3 In the event that the Council fails to take any of the steps reasonably requested by the BID Company pursuant to clauses 9.1 and 9.2 (above) the Council shall (within 28 days of receipt of written notice from the BID Company which specifies the amount of BID Levy outstanding) pay the specified sum into the BID Revenue Account and provide written confirmation to the BID Company that this has been done

10 Accounting Procedures and Monitoring

10.1 Within one month from the Operational Date the Council and BID Company shall form the Monitoring Group

10.2 Every month (for the duration of BID Term) the Council shall provide the BID Company with a breakdown of:-

- (i) the amount of BID Levy for each individual BID Levy Payer;
 - (ii) the BID Levy collected in relation to each BID Levy Payer;
 - (iii) details (together with the outstanding unpaid sum) of those BID Levy Payers who have not paid the BID Levy
 - (iv) details of the Reminder Notices issued throughout that period; and
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(v) details of any Liability Orders obtained or applied for by the Council;

10.3 Every six months (for the BID Term) the BID Company shall provide the Council with the following details:

(a) the total amount of income received from the Contributors (excluding the BID Levy)

(b) the total expenditure during that 6 month period.

10.4 The Monitoring Group shall meet no less than twice in any one Financial Year 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

(i) review the effectiveness of the collection and enforcement of the BID Levy; and

(ii) if required, review and assess the information provided by the Council and the BID Company pursuant to Clauses 10.2 and 10.3 above and make any recommendations for implementation as may be agreed (and which are permitted by the Regulations and the terms of this Agreement)

10.6 Within two months after the date of the end of the Financial Year the Council shall provide the Annual Report to the BID Company

10.7 Within one month from the date of receipt of the Annual Report the BID Company shall provide the BID Company Report to the Council

11 Termination

11.1 The Council shall not terminate the BID Arrangements where:

(i) in its opinion there are insufficient finances available to the BID Company to meet its liabilities for the chargeable period for the purposes of the BID Arrangements; or

- (ii) the Council is unable, due to any cause beyond its control to provide the works or services which are secured as part of the BID Arrangements

unless and until it first serves the Public Meeting Notice on the BID Levy Payers and the Council's Termination Notice on the BID Company and within 14 (fourteen) days from the date of service of such notice both parties shall arrange to meet where the purpose of such meeting shall be to discuss and/or agree all or any of the following set out in Clause 11.2 or 11.3 (whichever is applicable)

11.2 Where the BID Termination Notice relates to Clause 11.1(i) both parties shall agree and/or discuss or review the following:

- (a) the Council is of the reasonable opinion BID Company has insufficient finances to meet its liabilities for that period and details of such concerns should be made available to the BID Company;
- (b) insufficient funds;
- (c) alternative means by which the insufficiency of the funds can be remedied; and
- (d) an appropriate time frame to resolve this issue;

11.3 Where the BID Termination Notice relates to clause 11.1(ii) both parties shall agree and/or discuss or review the following:

- (a) the services or works which it is no longer able to provide together with confirmation and details as to why such works or services cannot be provided;
 - (b) a review by both parties as to whether such works or services are of material importance to the BID so that termination of the BID Arrangements is the only option;
 - (c) alternative means of procuring the said services or works by third parties or increased financial funding from the BID Company;
 - (d) alternative replacement services or works which will be acceptable to the BID Company ;
 - (e) an appropriate time frame to resolve this issue
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- 11.4 Notwithstanding clauses 11.1, 11.2 and 11.3 above, the Council shall cause a Public Meeting to be held prior to the termination of the BID arrangements under this clause 11
- 11.5 In the event that the parties cannot reach agreement in relation to the above and subject to consideration of representations made by any BID Levy Payer at the Public Meeting the Council shall be permitted to terminate the BID Arrangements provided that notice by the Council to terminate the BID shall be provided to the BID Company no less than 28 days prior to termination taking place
- 11.6 Upon termination of the BID Arrangements or the expiry of this contract the Council shall review whether there is a credit in the BID Revenue Account and in the event that there are sufficient funds in the BID 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) to:
- (a) calculate the amount to be refunded to each BID Levy payer;
 - (b) 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
 - (c) 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.
- 11.7 Upon termination of the BID or expiry of this contract 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 11.6
- 11.8 The BID Company shall not be permitted to terminate the BID Arrangements where:
- (a) the Works under the BID Arrangements are no longer required; or
 - (b) the BID Company is unable, due to any cause beyond its control to provide the Works which are necessary for the BID to continue
- unless and until it has served the BID Company's Termination Notice on the Council and thereafter carried out a proper consultation with all relevant representatives of the BID Area as considered appropriate by the Council.
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- 11.9 Upon termination of the BID Arrangements or the expiry of this contract 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 11.6

12 Confidentiality

- 12.1 Both the Council and the BID Company agree to keep confidential and not to divulge 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 the BID Levy Payers or Contributors or about other third parties which it shall have obtained or received as a result of operating the BID. This obligation shall survive the termination or lapse of the BID Arrangements

13 Notices

- 13.1 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
- 13.2 A Notice may be served by
- 13.2.1 delivery to the Monitoring Officer at the Council's address specified above; or
 - 13.2.2 delivery to the Company Secretary at the BID Company's address specified above
 - 13.2.3 registered or recorded delivery post
 - 14.2.4 Electronic Communication (provided that it is in legible form and is capable of being used for subsequent reference)
- 13.3 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.
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14 Miscellaneous

- 14.1 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
- 14.2 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement
- 14.3 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
- 14.4 Where reference is made to a Clause, Part, or Recital such reference (unless the context requires otherwise) is a reference to a clause, part, plan, or recital attached to this Agreement
- 14.5 References to the Council include any successors to its functions as local authority
- 14.6 References to statutes, bye laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power

15 Exercise of the Council's powers

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

16 Contracts (Rights Of Third Parties)

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

17 Arbitration

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

- 17.1 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
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17.2 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

17.3 If the parties are unable to agree within 28 (twenty eight) days as to 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

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

- prosecute any such reference expeditiously and
- 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

17.5 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

17.6 The award shall be final and binding both on the parties and on any persons claiming through or under them]

Signed by

)

duly authorised for and

)

on behalf of

)

NAME OF COUNCIL

)

Signed by

)

duly authorised for and

)

on behalf of

)

NAME OF BID COMPANY

)

Schedule 1– The BID Levy Rules

The following rules must be read in conjunction with the Business Improvement Districts (England) Regulations 2004 and Part 4 of the Local Government Act 2003. Where the Levy Rules conflict with the BID Regulations the BID Regulations prevail.

Levy Rules and Ballot Alteration Rules

The BID Company is required by the 2004 BID Regulations governing its establishment to set out in the BID Proposal the details of the BID levy and the rules associated with it.

The Company must adopt a set of rules which are both practically operable by the billing authority and which maximise revenues. The rules have been established following discussions with Herefordshire Council.

1) Hereditaments Subject to the BID Levy:

- a) A Non-Domestic Rate Payer will be subject to an annual BID Levy in respect of a hereditament if, on a particular day in a Chargeable Period the Hereditament is in:
 - i) the defined Hereford BID area as set out in the Hereford BID Business Plan; and
 - ii) the Valuation List; and
 - iii) the Rateable Value ("RV") is greater than £7,500 based on the 2010 NNDR Ratings List.

2) Hereditaments exempted from the BID levy:

- a) Within the group described by section 1 (a), the following groups of hereditaments will not have to pay the levy:
 - i) Communications masts
 - ii) Advertising hoardings
 - iii) Private car parking spaces
 - iv) Office premises to which the general public does not have access without an appointment as set out in the
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3) The BID Levy:

- a) The annual BID Levy will be calculated as $BID\ RV \times BID\ Multiplier \times D$ where:
 - i) the BID RV is the rateable value of the Hereditament in the 2010 NNDR Valuation List:
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- ii) D is the number of days in a Chargeable Period for which the BID Levy Payer is liable for the daily BID Levy;
- b) The BID Levy will be rounded to the nearest penny. (i.e. £0.005 will be rounded up to £0.01).
- c) the BID Multiplier is 1.2% of the RV on all hereditaments.
- d) The Hereford BID board reserves the right to increase the BID levy each year by the inflationary factor applied to non-domestic rate bills as calculated by the Government.

For example, if the non-domestic rate is increased by 3% in each year of the BID term, this would affect the Hereford BID Multiplier applied in Years 2 to 5 as set out in the table below. Any increase will be calculated and may be rounded to two decimal places as follows:

Hereditament Types	BID Multiplier Year 1	BID Multiplier Year 2	BID Multiplier Year 3	BID Multiplier Year 4	BID Multiplier Year 5
	1.20%	1.24%	1.28%	1.32%	1.36%

- e) The method of calculating the amount of the BID Levy cannot be altered during the BID Term without an alteration ballot.

4) Persons / Organisations Liable for the BID Levy

- a) The BID Levy will be calculated on a daily charge basis.
- b) Liability for the daily BID Levy will fall on the occupier of the Hereditament on the relevant day. For this purpose 'Occupier' shall have the same meaning as under s65(2) of the Local Government Finance Act 1988 ('the 1988 Act').
- c) If a Hereditament is unoccupied, the liability for the daily BID Levy will fall on the organisation / person entitled to possession on the relevant day. For this purpose 'unoccupied' and 'entitled to possession' shall have the same meanings as in Part III of the Local Government Finance Act 1988.
- d) A BID Levy for a Chargeable Period is payable in advance upon service of a Demand Notice.

5) BID Levy Allowances:

- a) There will be no allowances applicable to the BID Levy corresponding to NNDR Mandatory reliefs nor to NNDR Discretionary Relief, NNDR Hardship Relief, NNDR (Section 44A) (Partly Occupied) Relief, NNDR Small Business Rate Relief or NNDR Transitional Phasing.

6) Collection of the BID Levy:

- a) The BID Levy is payable in one instalment. This instalment date will be specified on the Demand Notice. The notice will be served as soon as

practicable after Herefordshire Council becomes aware of a BID Levy liability. Herefordshire Council may serve a Demand Notice before the commencement date of the BID in accordance with paragraph 5(2) of Schedule 4 of the Business Improvement Districts (England) Regulations 2004.

- b) The Hereford BID Board may authorise write-offs of the BID levy, as it deems appropriate in relation to the legislation governing the collection of BID levies. It will do this through the Monitoring Group referred to in the BID Operating Agreement.

7) Enforcement and Recovery of the BID Levy:

a) Stage 1

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

b) Stage 2

In the event that a BID Levy remains has not been paid in full by the Single Instalment Due Date Herefordshire Council will serve a Reminder Notice 14 days thereafter on the BID Levy Payer for an amount equal to the Sum Unpaid. Such Reminder Notice must require payment of the Sum Unpaid within 7 days.

c) Stage 3

If the BID levy payer does not pay the BID levy after 7 days of the Reminder Notice being issued then Herefordshire Council will issue a Final Notice. Such Final Notice must require payment of the Sum Unpaid within 7 days and inform the debtor that interest will be charged at the Bank of England Base Rate plus 5% and a Magistrates Liability Order sought if full payment is not received within the stated period.

d) Stage 4

In the event that a BID Levy Payer does not pay the Sum Unpaid in full within 7 days from the date of the Final Reminder Notice, Herefordshire Council may apply to a Magistrates' Court after 14 days of the date of the Final Notice for a Liability Order to recover the Sum Unpaid together with interest and costs.

e) Stage 5

In the event that a Magistrates' Court makes a Liability Order Herefordshire Council will instruct Bailiffs within a reasonable period thereafter to execute the Liability Order as permitted by the BID Regulations and the Non Domestic Rating (Collection & Enforcement) (Local Lists) Regulations 1989 (as amended).

8) General Enforcement and Recovery Provisions

- a) Herefordshire Council may enter into an agreement with a BID Levy Payer for payment of a Sum Unpaid at any time after service of a Demand Notice and such agreements do not require consent of the Hereford BID.
- b) Costs recovered by Herefordshire Council from a BID Levy Payer as a consequence of applying for and/or obtaining orders from a Magistrates' Court will be retained by Herefordshire Council to meet the costs of applying for and/or obtaining such orders.
- c) Herefordshire Council will charge Hereford BID for work carried out by the Bailiff pursuant to this Agreement. The Bailiff will retain Statutory Levy Fees and charges within the meaning of Schedule 3 of the **Non-Domestic Rating (Collection and Enforcement Regulations) (Local Lists) Regulations 1989**.

9) Billing / Recovery Documents

- a) Hereford BID will produce the information required by paragraph 3(2) of Schedule 4 to the Regulations in respect of each BID Levy Payer 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. Herefordshire Council will advise the Hereford BID of the date by which such information must be delivered to Herefordshire Council, the required volume and any specific delivery instructions and Hereford BID will comply with such requirements.

For further information please contact:

John Jones, BID Chairman or levy administrator details
Hereford BID
Address
Tel no

Schedule 2 – Breakdown of Council’s Annual BID Levy collection and administration charge

The Council will charge the BID Company £xx per hereditament per year for the Services. These services to include staff time and training, all consumables and postage relating to the production and despatch of all Demand and Reminder Notices, cash receipting costs, computer hardware and software licence and maintenance costs and all enforcement costs. There will be no additional charges levied on the BID Company over and above the charges agreed in this Schedule.

Schedule 3 – BID Area Map

Schedule 4 – Exceptions to Collection Enforcement

The Council will apply for a Magistrates' Liability Order on all occasions where requested to do so by the Monitoring Group. The Monitoring Group will use its reasonable judgement to decide where the BID Levy Payer has assets equal to or greater than the unpaid BID Levy and will pursue recovery of the sums unpaid unless the costs of collection are greater than the sums unpaid plus the costs of interest and collection.