

# **Manor Royal BID Operating Agreement with Crawley Borough Council**

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**Date:**

## **OPERATING AGREEMENT**

**between**

**CRAWLEY BOROUGH COUNCIL (CBC)**

**and**

**MANOR ROYAL BUSINESS DISTRICT (MRBD Ltd)**

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**Manor Royal – Business Improvement District**

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## OPERATING AGREEMENT

**Dated the:**

**Between**

**CRAWLEY BOROUGH COUNCIL (CBC)**

Town Hall, The Boulevard, Crawley, West Sussex, RH10 1UZ

And

**MRBD Ltd (Manor Royal Business District)** of Unit 38, Basepoint Business Centre,  
Metcalf Way, Manor Royal Business District, Crawley, RH11 7XX

### **1. Background**

- 1.1 Part 4 of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 ('BID Statutory Provisions') provide a legislative framework for the establishment and operation of a Business Improvement District ('BID').
- 1.2 The Manor Royal Business District ('MRBD') has proposed the renewal of the BID for Manor Royal Business District. The detailed proposals are set out in the BID Business Plan 2018 to 2023. The establishment of the BID is subject to approval by eligible persons in the ballot held in accordance with the BID Statutory Provisions.
- 1.3 The BID ballot is to be concluded on 1<sup>st</sup> March 2018.
- 1.4 The Manor Royal Business District (MRBD) is the BID body for the purposes of the BID Statutory Provisions and subject to a 'YES' vote on the 1<sup>st</sup> March 2018, will start operating from 1 June 2018. The BID period will last until 31<sup>st</sup> March 2023..
- 1.5 The Manor Royal Business Improvement District will enable the businesses in that area to identify, invest in and implement specific services and facilities to improve their common trading environment. A fundamental principle of BID legislation is that such services and facilities should be additional to (not in substitution for) those already provided by Crawley Borough Council (CBC).
- 1.6 MRBD is legally and operationally responsible to the businesses in the Manor Royal for all BID activities. The BID Board represents the views of the businesses that have voted for the BID and acts on their behalf.

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- 1.7 CBC's commitment to the Manor Royal BID and the working relationships between CBC and MRBD are set out in the Memorandum of Understanding.
- 1.8 The Memorandum of Understanding is supported by this BID Operating Agreement and a series of Baseline Statements, each benchmarking a specific service provided by CBC to the BID area.
- 1.9 CBC will provide additional operational support to the BID in a number of ways. These are set out in Schedule 4.

## **2. The purpose of this Operating Agreement**

- 2.1 CBC is the billing authority for the purposes of the Local Government Act 2003 and the BID Statutory Provisions and is responsible for collecting the BID Levy and administering the BID Revenue Account for the Manor Royal BID.
- 2.2 MRBD 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.
- 2.3 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 CBC and MRBD for the duration of the BID.
- 2.4 The purpose of this Agreement is to:
  - Establish the procedure for setting the BID Levy;
  - Confirm the basis upon which CBC 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.

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## 3. Definitions

3.1 **The Advance Payment** means the sum to be paid to MRBD on 1<sup>st</sup> June 2018 and thereafter on 1<sup>st</sup> April for each year that the BID is in operation, in advance of any collection of BID levy, which will be equal to 1/12<sup>th</sup> of the total levy invoiced.

3.2 The **Annual Budget Report** means a report to be prepared by CBC which details the estimated Revenue Account and supporting budget assumptions for the following financial year.

3.3 The **Monthly Monitoring Report** means a report to be prepared by CBC after the end of each month which summarises the following:

- The BID Revenue Account monitoring statement;
- The amount of BID Levy billed for BID Levy Payers;
- The BID Levy collected in relation to BID Levy Payers;
- Outstanding unpaid sum of those BID Levy Payers who have not paid the BID Levy;
- Amount of BID levy outstanding covered by Reminder Notices issued throughout that period;
- Amount of BID levy covered by Liability Orders obtained or applied for by CBC;

Details of any aspect of the above would be made available to MRBD upon request if there were particular queries or issues to discuss.

- Details of changes to the occupiers of hereditaments in the BID area and levy due would be made available upon request.

3.4 **The Annual Accounts Report** means a report to be prepared by CBC which details the following:-

- The Revenue Account Outturn Statement which includes the total amount of BID Levy collected during the relevant Financial Year;
- Details of the percentage collection rate for the BID Levy;
- CBC's recommendations (if any) to help improve any efficiency measures in the collection and enforcement of the BID Levy;

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- Details of those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy; and
- CBC's recommendations for bad or doubtful debts.

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

3.6 the **Monthly Levy Payment** means the sum of the BID levy collected in the previous calendar month less the Advance Payment, and less any outstanding BID loan repayments.

3.7 **the Balancing Payment** means the difference between the Advance Payment and the total Monthly Levy Payments for the BID year and the actual total sum of the BID Levy collected by CBC for the relevant BID year.

3.8 **the Ballot Result Date** means 1<sup>st</sup> March 2018. It is the date upon which a ballot result will be declared in accordance with paragraph 17 of Schedule 2 of the Regulations in favour of putting in place the BID Arrangements.

3.9 **the Individual Baseline Statements** means the individual agreements related to each service in the area as outlined in Schedule 3.

3.10 **the BID** means the Business Improvement District which operates within the BID Area.

3.11 **the BID Area** means the area of Manor Royal specified in the BID Arrangements, the streets of which are listed in Schedule 2.

3.12 **the BID Arrangements** means those arrangements to be put in place pursuant to the BID Statutory Provisions for the operation of the BID set out in the following documents:-

- BID proposals set out in the BID Business Plan 2018 to 2023 which, if approved in the statutory ballot, will form the basis of the BID arrangements referred to in the BID Statutory Provisions;
- A Memorandum of Understanding entered into between CBC and MRBD;
- This Operating Agreement;
- Individual Baseline Statements setting out current levels of service provided by CBC.

3.13 **MRBD** means The MRBD a company limited by guarantee.

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3.14 **MRBD's Report** means a report for each BID Financial Year to be prepared by MRBD which details the following:-

- The total income and expenditure of the BID Levy;
- Other income and expenditure of MRBD not being the BID Levy;
- The Revenue Account Outturn Statement;
- The various initiatives and schemes upon which the BID Levy has been expended by MRBD; and
- Recommendations for the operation of the BID for the following financial year.

3.15 **the BID Levy** means the charge to be levied and collected from BID Levy Payers within the BID area pursuant to the Regulations.

3.16 **BID Levy Payer(s)** means the non-domestic ratepayers responsible for paying the BID Levy.

3.17 **the BID Levy Rules** means the rules set out in Schedule 1 which sets out how the BID Levy will be calculated, details of Exempt Properties and other requirements related to the BID Levy.

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

3.19 **the BID Term** means the period from 1<sup>st</sup> June 2018.to 31<sup>st</sup> March 2023.

3.20 **the Commencement Date** means the date this Operating Agreement comes into force .

3.21 **Confidential Information** means

- Any information provided by one party to the other or by a third party under or in connection with this agreement or the BID Arrangements which is notified in writing to the receiving party as being either a trade secret or sufficiently commercially sensitive to justify such information being kept confidential;
- Personal data within the Data Protection Act 1998.

whether written, electronic or oral.

3.22 **the Contributors** means the BID Levy Payers or other contributors making voluntary contributions to MRBD.

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- 3.23 **CBC** means Crawley Borough Council.
- 3.24 **Demand Notice** means the demand notice required to be served by paragraph 2 of Schedule 4 of the Regulations.
- 3.25 **Hereditament** shall have the same meaning as defined in the Regulations.
- 3.26 **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):
- (i) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
  - (ii) by other means but while in electronic form
- 3.27 **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.
- 3.28 **the BID Financial Year** means the period of 1<sup>st</sup> April to 31<sup>st</sup> March.
- 3.29 **County Court Judgement** means a judgement obtained from the County Court.
- 3.30 **the Operational Date** means the date upon which the BID Arrangements come into force, 1 June 2018.
- 3.31 **the Public Meeting** means the meeting to be held of all BID Levy Payers pursuant to regulation 18(1)(a)(ii) of the Regulations.
- 3.32 **the Regulations** and the **BID Regulations** mean 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).
- 3.33 **the Reminder Notice** means the notice to be served in respect of an unpaid levy.
- 4. Statutory Authorities**
- 4.1 This Agreement is made pursuant to Part 4 of the Local Government Act 2003 and Section 111 of the Local Government Act 1972 and all other enabling powers.



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## **5. Commencement**

- 5.1 This Agreement takes effect on the date of this agreement.
- 5.2 If, at the end of the BID Term a renewal ballot is planned this Agreement will be reviewed and revised if appropriate in advance of the ballot. Should the renewal ballot be successful then the terms of the revised Agreement shall be of effect for the new BID term.

## **6. Setting the BID Levy**

- 6.1 By the 3<sup>rd</sup> May 2018 and thereafter by 3<sup>rd</sup> March in each financial year CBC shall:-
- Calculate the BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules;
  - Confirm in writing to MRBD, as soon as practicable after billing, the BID Levy payable annually by each BID Levy Payer; and
  - Provide the Annual Budget Report.

## **7. The BID Revenue Account**

- 7.1 CBC shall maintain a BID Revenue Account.
- 7.2 MRBD shall notify CBC of any changes to the details of its bank account and sort code.
- 7.3 CBC shall have set up in its Accounts Payable system by the 1<sup>st</sup> June of the first year the MRBD bank account and sort code details for payment by BACS of the advance payment and monthly levy payments from the BID Revenue Account.

## **8. Charges to MRBD for CBC services**

- 8.1 MRBD shall reimburse CBC's reasonable charges and expenses in performing its duties and obligations under this agreement. Initial costs are as set out in Schedule 4.
- 8.2 Costs to be charged by CBC will be invoiced to MRBD on a monthly basis in the month following that in which they were incurred. MRBD will pay invoices within a period of 30 days from the date of issue.
- 8.3 The BID Revenue Account will include the charge and the income from MRBD.

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## **9. Collecting the BID Levy**

- 9.1 The BID Levy Payer shall be billed for the BID Levy by a separate BID Levy bill sent out by the 3<sup>rd</sup> May 2018 and thereafter by 3<sup>rd</sup> March in each subsequent BID year..
- 9.2 The BID Levy is due for payment on the 1<sup>st</sup> June 2018 and thereafter by 1<sup>st</sup> April in each subsequent BID year.
- 9.3 The method of payment to CBC is by cheque, cash, Direct Debit or CBC online payment facility. These methods of payment will be reviewed yearly and any changes made will be made in time to affect the next billing period.
- 9.4 CBC 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.
- 9.5 CBC shall maintain a list which identifies payment and/or non payment of the BID Levy and shall make this available to MRBD upon its reasonable request.
- 9.6 CBC shall use all reasonable endeavours to collect the BID Levy on 1 June 2018 and thereafter by 1<sup>st</sup> April in each subsequent BID year on an annual basis and in accordance with the procedure set out in Schedule 4 of the Regulations.

## **10 Procedures available to CBC for enforcing payment of the BID Levy**

- 10.1 In the event that the BID Levy is not paid within 14 days from the date that it becomes payable then (subject to the exceptions or as may otherwise be agreed between the parties) CBC shall serve a Reminder Notice on such relevant BID Levy Payer which shall:-
- Identify the sum payable;
  - Provide a further 14 days for payment to be made;
  - In the event that the BID Levy is not paid within a further 14 days from the above notice CBC will send a reminder which shall:-
    - Identify the sum payable;
    - Provide a further 7 days for payment to be made;
    - Confirm that CBC will make an application to the County Court for a County Court Judgement to recover the unpaid sum and costs.

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10.2 If after a further 14 days from the payment date stated in the Reminder Notice the outstanding sum of the BID Levy has not been paid CBC shall make an application to the County Court for a County Court Judgement 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).

10.3 CBC shall make recommendations to the BID Board on debts deemed to be uncollectible.

10.4 CBC shall only write off debts on receipt of an approval in the form of a signed off authorisation from the designated BID Officer who will have had it approved by 2 designated Board Directors

## **11 Payment to MRBD**

11.1 On 1<sup>st</sup> June 2018 and thereafter on 1<sup>st</sup> April in each subsequent BID year CBC shall pay MRBD by BACS :

- The Advance Payment

11.2 CBC shall thereafter make a Monthly Levy payment by the 7<sup>th</sup> of the following calendar month, or next available working day, the total amount of levy collected for the previous calendar month less the following deductions provided that the levy collected is equal to or more than the total of the deductions :-

- A deduction equal to the amount of the Advance Payment not previously deducted;
- A deduction equal to the outstanding balance of the BID loan not previously recovered;

## **12 Performance Monitoring and Reporting**

12.1 By 1<sup>st</sup> May or next available working day, each year CBC shall provide to MRBD with an Annual Budget Report.

12.2 Within 10 working days of the end of each calendar month CBC shall provide MRBD with the Monthly Monitoring Report.

12.3 Within 30 working days after the end of the financial year CBC shall provide MRBD with the full annual statement of the BID Revenue Account. .

12.4 MRBD will arrange the annual audit of the draft Annual Accounts.

12.5 Within two months from the date of receipt of the audited full Annual Report MRBD shall provide the MRBD's Report to CBC.

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12.6 Within one month from the Commencement Date the parties shall agree the dates when the Monitoring Group will meet. There will be at least two such meetings in each BID Year (throughout the duration of the BID Term). Further meetings of the Monitoring Group shall be arranged by the service of written notice by either party no less than 28 days prior to the date of the proposed meeting, unless both parties agree that such meetings can be dispensed with altogether.

12.7 The parties shall annually review the operation of this Agreement and shall meet from time to time to:

- Review the effectiveness of the collection and enforcement of the BID Levy; and
- If required, review and assess the information provided by CBC and MRBD and make any recommendations for implementation as may be agreed (and which are permitted by the Regulations and the terms of this Agreement).

## 13. Termination of BID arrangements

13.1 CBC may terminate the BID Arrangements if, in its opinion, there are insufficient finances available to MRBD to meet its liabilities for the chargeable period for and CBC has:-

- Offered MRBD a reasonable opportunity to arrange for financing the shortfall or for a reduction in the works or services under the BID Arrangements which is sufficient to meet the shortfall; and
- Given BID Levy Payers an opportunity, at the Public Meeting, to make representations in relation to the termination of the BID Arrangements.

13.2 CBC may terminate the BID Arrangements if it is unable, due to any cause beyond its control, to provide works or services which are necessary for the BID to continue and CBC has:-

- Consulted MRBD; and
- Conducted a consultation with such representatives of the business community for the BID Area as it thinks appropriate.

13.3 CBC shall notify MRBD in writing of its intention to terminate the BID Arrangements at least 28 days before the date of termination.

13.4 So far as it considers it reasonably practicable to do so, where CBC is contemplating terminating the BID Arrangements under regulation 18(1) of the Regulations it shall endeavour

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to first meet with MRBD to discuss and review any issues, and put in an appropriate timescale to resolve them.

13.5 MRBD may terminate the BID Arrangements where:-

- The works or services to be provided under the BID Arrangements are no longer required; or
- MRBD is unable, due to any cause beyond its control, to provide works or services which are necessary for the BID to continue.

13.6 The MRBD shall take no steps to terminate the BID Arrangements until:-

- It has consulted CBC; and
- Conducted a consultation with such representatives of the business community for the BID Area as CBC thinks appropriate.

13.7 MRBD shall notify the CBC in writing of its intention to terminate the BID Arrangements at least 28 days before the date of termination.

13.8 Where the BID Arrangements are terminated CBC shall, as soon as is reasonably practicable give notice of the termination in writing to the BID Levy Payers pursuant to Regulation 18(6) of the Regulations and the notice shall include an explanation as to whether any part of the BID Levy is to be repaid to BID Levy payers under Regulation 14(4) of the Regulations.

## **14. Confidentiality and Access to Data.**

14.1 Subject to the following provisions, neither party shall disclose any Confidential Information (whether verbal, in writing or in electronic form).

14.2 Such Confidential Information or any part thereof may only be disclosed to or used by persons such as employees, sub-contractors and agents of a party who need to know the same for the purposes of performing its obligations under the BID Arrangements. Each party shall keep the Confidential Information secret and confidential and shall procure that such persons shall comply with substantially similar obligations of confidentiality as set out in this agreement.

14.3 The restriction on disclosure shall not apply to Confidential Information to the extent that it:-

- Is required to be disclosed by law (including under the Freedom of Information Act 2000) or by any governmental or other regulatory authority acting within the scope of its powers;

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- Is or becomes part of the public domain through no fault of the receiving party;
- Is known to the receiving party prior to the disclosure by the disclosing party without an obligation to keep such Confidential Information confidential;
- Is subsequently furnished by the disclosing party to a third party without restriction on disclosure or use; or
- Is subsequently obtained by the receiving party from a third party without breach of any obligation of confidentiality owed to any third party or the disclosing party.

14.5 Each party shall use a reasonable standard of care in dealing with the Confidential Information so as to maintain confidentiality and security of the Confidential Information.

14.6 Each party agrees that, in the performance of its respective obligations under this Operating Agreement, it shall comply with the provisions of the Data Protection Act 1998.

14.7 This obligation shall survive the termination or lapse of the BID Arrangements.

## **15. Notices**

15.1 Any notice or other written communication to be served or given to or upon CBC shall be valid or effective if it is sent by registered post, recorded delivery post or by electronic communication (provided that it is in legible form and is capable of being used for subsequent reference) to the CBC's Chief Executive at Crawley Borough Council, Town Hall, The Boulevard, Crawley, West Sussex, RH10 1UZ or such other CBC officer or address as the Council may have notified to the MRBG in writing.

15.2 Any notice to be served on MRBD shall be valid and effective if sent by registered post or, recorded delivery post to the registered office or is transmitted electronically and addressed to the Chair of the MRBD Board

15.3 Any notice sent by post shall be deemed to have been validly served on the second working day after posting. For these purposes a working day is any day on which CBC's main administrative offices are open to the public. Any notice sent electronically shall be deemed to have been validly served provided there is no automated electronic response to indicate otherwise.

## **16. Miscellaneous**

16.1 For the avoidance of doubt, in the event of any conflict between any provision in the above documents and the BID Statutory Provisions the latter shall prevail.

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16.2 If any provision of this Agreement shall become or shall be declared by any court or tribunal of competent jurisdiction to be invalid or unenforceable in any way whatsoever, such invalidity or unenforceability shall in no way impair or affect any other provision of the Agreement, which shall remain in full force and effect.

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

16.4 References to CBC include any successors to its function as the billing authority for the purposes of the BID.

16.5 References to any enactment, order, regulation, code of practice or other similar provision shall be construed as a reference to any amendment, re-enactment, consolidation, variation, replacement or extension of the same from time to time and for the time being in force.

## **17.Exercise of CBC's powers**

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

## **18.Contracts (Rights Of Third Parties)**

18.1 The parties do not intend any third party to have the right to enforce any provision of this agreement under the Contracts (Rights of Third Parties) Act 1999 or otherwise.

## **19. Dispute resolution**

19.1 In the event of any dispute arising out of or relating to the BID Arrangements, each party agrees not to commence legal proceedings without first attempting in good faith to resolve the dispute amicably and speedily having regard to the aims and objectives of the BID Arrangements.

19.2 Any dispute or difference of any kind whatsoever arising between the parties out of or in connection with this Agreement which cannot be resolved through normal business channels may be referred by either party to the Chairman of the MRBD and the Chief Executive of CBC (or their respective nominated senior representatives).

19.3 Any dispute which cannot be resolved between the parties shall be referred to arbitration before a single arbitrator.

19.4 The parties shall jointly appoint the arbitrator not later than 28 days after service of a request in writing by either party to do so and each party shall bear its own costs.

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19.5 If the parties are unable to agree within 28 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.

19.6 In the event of a reference to arbitration the parties agree to:-

19.7 Prosecute any such reference expeditiously and

19.8 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.

19.9 The award shall be in writing signed by the Tribunal and shall be finalised within 21 days from the date of such award.

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

Signed on behalf of:  
**Crawley Borough Council**

Signed on behalf of:  
**MRBD Ltd**

By  
Authorised Officer

By  
Chairman



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## Schedule 1 – The BID Levy Rules

Every BID has to establish its own levy rules. Reference has been made to the use of the 'Industry Criteria and Guidance Notes' (source: British BIDs 2017) in developing the rules which will apply to the Manor Royal BID.

Business Improvement Districts use rateable values of businesses as a means of calculating levy and determining the associated criteria. This provides the basis for an equitable approach to charging to reflect the value which businesses will receive in services and support from the activities of the BID. The Manor Royal Business District has decided on a levy structure which takes account of the potential benefits of businesses dependent upon their size.

1. Assuming a positive BID vote by a majority of businesses by number and rateable value of those who vote, the BID levy will be charged on all hereditaments listed in the local Non-Domestic Rating List located within the BID area. This applies irrespective of whether or how a business has voted in the formal BID ballot. Legislation within the Local Government Finance Act (2003) enables the local authority to issue a bill for the levy. The levy is collected by the billing authority, Crawley Borough Council. The Manor Royal BID Company will invoice the billing authority, Crawley Borough Council, for the levy collected for exclusive use of the BID.
  2. All businesses which will be liable for the BID Levy who are shown on the Crawley Borough Council Rating Database as at the publication date of Notice of Ballot will be entitled to vote for the BID proposal in a 28 day postal ballot which will commence on 2<sup>nd</sup> February 2018, with the close of ballot at 5pm on 1<sup>st</sup> March 2018. The result will be announced as soon as possible thereafter.
  3. If successful at the ballot, the BID will be fixed for a term commencing on 1<sup>st</sup> June 2018 and will run until 31<sup>st</sup> March 2023. Levy bills will be issued for the first payment due 1<sup>st</sup> June 2018 and 1<sup>st</sup> April each BID year thereafter. (see section 17 for more detail)
  4. The levy amounts will be applied as follows:
    - a. The annual BID levy will be 1% of the rateable value as shown on Valuation Office Agency's 2017 rating list for Crawley Borough Council (the billing authority) on 1<sup>st</sup> February each year for each defined business within the scope of the BID, with the exception of those premises with a rateable value of less than £12,000. For the avoidance of doubt, any formal revaluation of Rateable Values (due 2022) shall be ignored and the 2017 rating list shall continue to apply.
    - b. Ratepayers with a RV of less than £12,000 will not pay a levy for these properties and will not have a vote for these properties.
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- c. The maximum levy payable for any individual hereditament will be £3,500.
  5. The levy will be due from businesses that are liable to pay business rates, including empty properties other than those that are exempt within the stated criteria (Section 12).
  6. The liable person is the ratepayer liable for occupied or unoccupied premises for 1st February each year of the collection of the levy (or a later date when subsection 8 applies). In accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (S.I. 1989/1058) and the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1989 (S.I. 1989/1060), Crawley Borough Council will be responsible for the imposition, administration, collection, recovery and application of the BID levy. The Council will also be responsible for any enforcement action that may be appropriate in case of non-payment of the levy.
  7. There will be an annual inflationary increase of all levy charges year on year for the duration of the Business Improvement District. No later than 1<sup>st</sup> February each year, the BID Board may opt to either maintain the BID levy at its current rate for the following Financial Year or to increase it by a maximum inflation rate of 2% Inflation will not apply for the first billing cycle in 2018.
  8. The levy will normally be charged in advance upon service of a Demand Notice. Any business which ceases to become the liable party during the year must apply to the Crawley Borough Council for a refund for the remainder of the period if an apportionment is required between the outgoing and incoming liable parties, and the new liable party will be charged on a pro-rata basis.
  9. 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 the Council becomes aware of a BID levy liability.
    - a. If a new property comes in to the Rating List within the BID area mid-year no charge will apply until the following year's levy becomes due.
    - b. If a property undergoes a split or merger in the Rating List mid-year the levy will not be amended to reflect the change until the following year.
    - c. If a property's rateable value is decreased/increased mid-year the levy will not be amended to reflect the change until the following year.
  10. New premises, or properties which were not in the Rating List but become subject to rates in the BID area or new streets or roads raised in the BID area after the BID is in force will be expected to pay a BID Levy based on the annual levy charge appropriate in relation to its new/current rateable value. The charge will not become applicable until the following year's levy becomes due.
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11. No other relief will be given to any class of non-domestic ratepayer and there is no distinction made between occupied or unoccupied hereditaments, both occupancy status attracting the full BID levy, unless it is a hereditament: -
- a. whose liable party is prohibited by law from occupying it or allowing it to be occupied;
  - b. which is kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the hereditament or to acquiring it;
  - c. which is included in the Schedule of monuments compiled under section 1 of the Ancient Monuments and Archaeological Areas Act 1979(b);
  - d. where, in respect of the owner's estate, there subsists a bankruptcy order within the meaning of section 381(2) of the Insolvency Act 1986(c);
  - e. whose owner is entitled to possession of the hereditament in his capacity as trustee under a deed of arrangement to which the Deeds of Arrangement Act 1914(d) applies;
  - f. whose owner is a company which is subject to a winding-up order made under the Insolvency Act 1986 or which is being wound up voluntarily under that Act;
  - g. whose owner is a company in administration within the meaning of paragraph 1 of Schedule B1 to the Insolvency Act 1986 or is subject to an administration order made under the former administration provisions within the meaning of article 3 of the Enterprise Act 2002 (Commencement No. 4 and Transitional Provisions and Savings) Order 2003(e);
  - h. whose owner is entitled to possession of the hereditament in his capacity as liquidator by virtue of an order made under section 112 or section 145 of the Insolvency Act 1986.
- in which case the hereditament will be exempt.
12. For clarity a hereditament which is the subject of a building preservation notice within the meaning of the Planning (Listed Buildings and Conservation Areas) Act 1990(a) or is included in a list compiled under section 1 of that Act will be subject to levy unless its use is covered by any of the other exemptions listed in this section.
13. The BID levy contribution will not be reassessed if the rateable value is amended after the end of the BID. New or altered properties entered into the valuation list will become liable for the levy, but no charge will apply until the following year's levy becomes due.
14. Businesses with a rateable value of less than £12,000 will be exempt from the levy and will not be permitted to vote in the ballot. Any business with an R.V which falls below this will be encouraged to enter into a voluntary arrangement direct with the BID Company so that they can benefit from the full range of services provided by the BID.
15. Places of religious worship will be exempt from the levy for that hereditament and will not be permitted to vote for this hereditament in the ballot. No other discounts or reductions shall apply.
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16. Subject to this criteria stated above and within the BID boundary as defined in this document, the BID levy is a statutorily compulsory payment regardless of whether the business exercised its vote or voted against the BID.
17. Provided that the BID is meeting its overall objectives the Board shall have the ability to vary service delivery and expenditure allocation according to the changing demands of levy payers. However, any change to the BID boundary or to the levy rate proposals (other than proposed inflationary increases) would require an Alteration Ballot.

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## Schedule 2 - BID Area - list of streets

### Streets included in the BID Area

Road (Listed Alphabetically)	Associated business areas
Baird Close	
Betts Way	Including Astral Tower and Acorn Retail Park
Cobham Way	
County Oak Lane	
County Oak Way	Including County Oak Retail Park
Crompton Way	
Faraday Road	
Fleming Way	
Gatwick Road	
Hydehurst Lane	
James Watt Way	
Jenner Road	
Kelvin Lane	
Kelvin Way	
Manor Royal	
Maxwell Way	
Metcalf Way	
Napier Way	
Newton Road	
Priestley Way	
Royce Road	
Rutherford Way	
Tinsley Lane	
Tinsley Lane North	
Wheatstone Close	
Whittle Way	
Whitworth Road	
Woolborough Lane	

(\*) The BID area includes any and all of the smaller business areas and parks located off these roads that are located within the boundary of the defined BID area, even if they are not listed above.

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## **Schedule 3 – Individual Baseline Statements**

### **Individual Baseline Statements**

In full support of the above commitments, Heads of Service within the Council will draw up Baseline Statements on the specific services they are responsible for. These documents define the benchmarks for the provision of these services and how these will be measured.

The Baseline Services are defined below:

- Community Safety
- Highways and Visitor and Information Signs
- Street lighting
- Parking – On and Off street operations
- Public transport
- Cycling
- Street Cleansing (waste collection, trade waste, fly posting, graffiti removal, street furniture maintenance, gully emptying etc)
- Grounds Maintenance and Arboricultural services

The process of creating the baseline agreements proves valuable to both the service providers and the BID Company. The development of these partnerships and the additional focus on the services provided in the area, will give tangible benefits over and above those derived from the projects outlined below. Also by defining baseline services, it becomes possible to monitor their delivery and ensure that standards are maintained at high level.

### **BID legislation requirements for the Council**

The BID regulations also determine that the Crawley Borough Council meets the following obligations:

- Conducting, through the council's Democratic Services, the formal BID vote in accordance with current BID legislation and procedures
- Assuming a positive outcome to the BID vote, collecting the BID levy defined in the BID Business Plan from Manor Royal businesses and transferring the levy sums direct to the Manor Royal BID Company. The Council proposes to make a charge for the BID levy collection and will transfer the levy sums to Manor Royal BID Company within 30 days of collecting it.
- Paying the appropriate BID levy set out in the Business Plan in respect of all its own hereditaments within the Manor Royal BID area.

### **Monitoring and Review**

The Council is committed to the regular monitoring of the operation of the BID Operating Agreement and reviewing its effectiveness in conjunction with Manor Royal BID Company. This will be carried out as follows:

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- An annual monitoring of each of the specific services for which a Baseline Statement is shown above. This will be led by the respective Head of Service who will provide an account to Manor Royal BID Company of how the service commitments have been actually delivered during the period.
- An annual review of the overall effectiveness of the Operating Agreement. This will be led by the Cabinet member with responsibility for the BID and will reflect the Cabinet's commitment to address any shortfalls and propose measures to evolve the partnerships to the mutual benefit of the Council and Manor Royal BID Company. These reviews will be scheduled to best effect for the Council and Manor Royal BID Company's yearly budgeting cycles. These reviews should be conducted in line with the Council's own Best Value Reviews

## **Monitoring of basic service provision**

The Council is committed to sustaining core or basic services to the district for the duration of the BID so that the activities of the BID will be totally additional and complementary. Provision of Baseline Assessments and Service Level Agreements will allow the BID Company to regularly appraise the delivery of core services and compare them with the details stated in the SLAs.

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## Schedule 4 – CBC’s Operational Support for Manor Royal BID

Crawley Borough Council fully supports the Manor Royal BID. In particular, they endorse the fundamental principle of additionality within the BID by agreeing to maintain the provision of existing services from both Councils to businesses at their current level across the Manor Royal BID area. Thus, in line with BID legislation, BID services within the Manor Royal BID will be additional to (not in substitution for) those provided by both Councils.

The Council’s commitment to the Manor Royal BID and the working relationships between the Crawley Borough Council and Manor Royal BID Company are set out in complementary documents agreed between the Council and Manor Royal BID Company.

- Memorandum of Understanding and an Operating Agreement which define the working relationship between the Council and Manor Royal BID Company and set out the Council’s Operational Support to the BID on a number of specific issues
- A set of Baseline Agreements, each defining the benchmark for a specific service provided by the Council and other agencies to the businesses in the area

The main areas of cost incurred by CBC associated with setting up and administering the BID Levy collection process are:

- NNDR Staff costs
- Business Systems staff costs
- Stationery costs
- Cash allocation costs

The cost of providing these services chargeable to the Manor Royal BID company is £15,000 pa (or such amount not to exceed £35 per hereditament).

Future years’ costs will be reviewed and agreed by both CBC and MRBD by the 1<sup>st</sup> March or as soon as possible thereafter.

Other initial one off support from CBC included setting up the required payment and financial systems, legal input in setting up the Operating Agreement / Loan Agreement and other Heads of Service contributions in drawing up the Baseline Service Statements.