

OPERATING PROCEDURES

**BUSINESS IMPROVEMENT DISTRICT FOR THE
FITZROVIA PARTNERSHIP LIMITED**

NAME OF COUNCIL:

The London Borough of Camden

NAME OF BID COMPANY:

The Fitzrovia Partnership Limited

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Operating Procedures

Dated

Between

- (1) **The London Borough of Camden** (the “Council”) of Camden Town Hall, Judd Street, London WC1H 9JE; and
- (2) **The Fitzrovia Partnership Limited** (the “BID Company”) registered as a company limited by guarantee in England with number 06792669 whose registered office is at Derwent London, 25 Saville Row, London. W1S 2ER.

Recitals

- A The Council is a billing authority for the purposes of the Local Government Act 2003 which has made BID Arrangements in accordance with section 41 of that Act and is responsible for the administration, billing and collection of the BID Levy.
- B The BID Company is the “BID Body” for the purposes of the Regulations as defined therein and is therefore 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 agree 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:
 - Confirm the basis upon which the Council will be responsible for collecting the BID Levy
 - Agree enforcement mechanisms for the collection of the BID Levy
 - Set out procedures for accounting and transference of the BID Levy
 - Set out procedures for monitoring and review of the collection of the BID Levy
 - Identify and agree the baseline services that are currently provided by the Council in the BID

It is agreed:

1 Definitions

Agreement means these contractual terms and conditions and schedules attached hereto.

Annual Report means a report to be prepared by the Council in accordance with clause 8.6 below which shall include, for the relevant Financial Year the following information:-

- (i) the Financial Accounts;
- (ii) the total amount of BID Levy Raised;
- (iii) the total amount of BID Levy collected;
- (iv) the total amount of the Deductions;
- (v) the total amount of uncollected debit c/fwd at the end of the Financial Year
- (vi) any proposals from the Council to help improve its efficiency in the collection and enforcement BID Levy
- (vii) a report including a schedule of all non-paying Stakeholders existing at the end of the relevant Financial Year and the enforcement action taken or to be taken by the Council in respect of such Stakeholders

Bad or Doubtful Debts means those sums which are recorded as bad or doubtful debts by the Council as a result of non-payment of the BID Levy by Stakeholders in accordance with the Council's usual accounting practices

BID means the Business Improvement District which operates within the area highlighted on the map in Schedule C and which is managed and operated by the BID Company

BID Arrangements means the arrangements attached hereto at Schedule B as amended from time to time in accordance with the conditions stipulated therein and the Regulations

BID Levy means the charge to be Raised and collected from the Stakeholders within the area of the BID in accordance with the terms set out in the BID Arrangements and

the Regulations and to be used, subject to the terms of this Agreement, by the Council solely to procure from the BID Company the services and proposals set out within the BID

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

Business Rates Manager means the Council officer responsible for the implementation of the Council's obligations under (and the management of) this Agreement

Chief Finance Officer means the officer designated with responsibility for the financial administration of the Council under section 151 of the Local Government Act 1972

Contract Standard means in relation to the performance of any of the Services, carrying out such Service(s) in accordance with all relevant provisions of this Agreement and in compliance with all relevant Acts of Parliament, Statutory Regulations, Orders and Codes of Practice in operation from time to time

Deductions means the agreed administrative fee, relief, write offs, losses, refunds, hardship relief awarded, enforcement income collected in accordance with Schedule A and Bad or Doubtful Debts together with all other sums agreed with the BID Company as the Council may deduct from the BID Levy in accordance with paragraph 2 of Schedule 3 of the Regulations

Enforcement Notice means a notice to be served on the Council by the BID Company for failure to enforce payment of the BID Levy as specified in Clause 7

Force Majeure means any cause materially affecting the performance by a party of its obligations under this agreement arising from any act, events, omissions, happenings or non-happenings beyond its reasonable control including, without limitation, acts of God, strikes, lock-outs or other industrial disputes, war, riot, fire, flood or any disaster affecting either one of the parties hereto or a third party for which a substitute third party is not reasonably available;

Financial Accounts means a statement of all debits and credits made to the BID Revenue Account by the Council for the relevant Financial Year in accordance with Schedule 3 of the Regulations including the total Payable BID Levy for that Financial Year;

Financial Year means the financial year for the Council which runs from 1st April to 31st March

First Demand Notice means the notice to be served on the relevant non-paying Stakeholder by the Council pursuant to Clause 7.1

Monitoring Group means the group to be set up to monitor the collection and enforcement of the BID Levy such group to consist of relevant Council officers and representatives from the BID Company as set out in the BID Arrangements

20 July 2012 means the date upon which the successful ballot result has been declared in favour of putting in place the BID Arrangements or the date of this Agreement, whichever is the later.

Payable BID Levy means the balance (in cleared funds) of the BID Revenue Account plus all credits and less all debits and Deductions made or to be made by the Council in accordance with Schedule 3 of the Regulations and this Agreement

Quarter means a period of three months from the start of each Financial Year and every period of three months thereafter

Raised means sums calculated and to be demanded by the Council as being due and payable by Stakeholders in accordance with Schedule 4 of the Regulations and "Raise" shall be construed accordingly

Regulations means the Business Improvement Districts (England) Regulations 2004 as amended from time to time

Second Demand Notice means the notice to be served on the relevant non-paying Stakeholder by the Council pursuant to Clause 7.1

Services means the services to be provided by the Council in accordance with this Agreement and described in Schedule A.

Stakeholders means the non-domestic rate payers liable to pay the BID Levy as identified in the BID Arrangements

Term means 5 years, the term of the BID Arrangements as stipulated within that document and attached to this Agreement at Schedule B

VAT means United Kingdom value added tax or similar tax which may be imposed in place from time to time

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 and Term

3.1 This Agreement is conditional on and shall not take effect until the Operational Date.

3.2 Following the Operational Date this Agreement shall continue in full force and effect for the duration of the Term

4 Good faith Obligations

4.1 Both parties will act in good faith towards each other in relation to all matters arising under this Agreement and in particular (without failure to comply with the same amounting to a breach of contract) each party shall inform the other fully and as soon as reasonably possible of any circumstances of which it becomes aware which might lead to a necessity for a change to this Agreement, a potential dispute or any other circumstance of which both parties should be aware.

4.2 Any approval, act, omission, decision, requirement, agreement or any other step of any kind taken by or on behalf of either party shall be so taken reasonably and in good faith and any reference (express or implied) to period, time, occasion, amount, price or any other matter shall be subject to the qualification of reasonableness, unless the context otherwise requires.

5 Payment for the Services

5.1 The Council's charge for the provision of the Services will be £7200.00 in the first year of the Term (excluding VAT), that sum to be increased or decreased in subsequent years by the proportionate increase or decrease in RPI during the previous year.

5.2

Following receipt by the BID Company of a valid VAT invoice, payment of that invoice will be due together with VAT thereon on the date of this Agreement and on the anniversary thereof in each year of the Term.

VAT in respect of BID Levy

5.3

All payments of Payable BID Levy made from the Council to the BID Company under the terms of this Agreement shall be exclusive of VAT chargeable in respect of the implementation of the BID Arrangements for which the payment of Payable BID Levy is consideration and such VAT shall be added to the amount thereof and paid in addition thereto upon production of a proper VAT invoice by the BID Company.

6 Enforcement Procedures by the Council for payment of the BID Levy

6.1

In the event that the BID Levy is not paid by a Stakeholder by the date specified within a demand notice, the Council shall instigate enforcement action against such non-paying Stakeholder in accordance with Schedule A.

6.2

Where the Council instigates Court action as required in accordance with Schedule A, it shall do so at its own expense and for the avoidance of doubt such costs and expenses shall not be a Deduction for the purposes of this Agreement unless and until such time as the Council successfully recovers such costs and expenses from the relevant Stakeholder on behalf of the BID Company at which time the relevant Deduction shall be the sum recovered in respect of the Council's costs in bringing the Court action.

7 BID Company Recourse in event of non-collection of BID Levy by the Council

7.1

In the event that the Council fails to enforce payment of the BID Levy in accordance with clause 6.1 above and Schedule A the BID Company shall serve an Enforcement Notice on the Council (such notice to be copied to the Monitoring Group) requesting that:-

- (i) it serve a First Demand Notice;
- (ii) it serve a Second Demand Notice; or
- (iii) it commence court proceedings pursuant to clause 6 above and Schedule A.

Within 14 days of receipt of such Enforcement Notice the Council shall provide written confirmation of the action taken or to be taken (including timescales for the implementation of such action) to recover the unpaid BID Levy to the BID Company and the Monitoring Group

- 7.2 If after serving an Enforcement Notice the Council fails to take the requested action within the specified time frame the BID Company shall inform the Monitoring Group of the Council's failure to act and request that the Monitoring Group arrange a meeting between the Monitoring Group and the BID Company and relevant Officers of the Council in order to achieve a solution and/or agree a strategy to recover the outstanding sum. Such strategy shall include a time frame within which action will be taken by the Council to recover the unpaid sum or sums.
- 7.3 If after serving an Enforcement Notice and attending the meeting arranged by the Monitoring Group pursuant to clause 7.2 the Council fails to take the requested action within the time frame agreed during the said meeting then the BID Company shall serve an Appeal Notice to the Chief Finance Officer and Chief Executive of the Council, such notice shall:-
- (i) Detail the sum/s which remain 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 that a meeting take place between the 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 days from service of the Appeal Notice
- 7.4 Where the Council fails to attend the meeting specified at clause 7.3 (iii) above; or fails to implement any action plan agreed at that meeting within a period of 14 days from the date of the meeting the Council shall use its best endeavours and take all necessary steps required of it by the BID Company to enable the BID Company to enforce collection of the BID Levy which may include the appointment of the BID Company as its agent and/or the grant to the BID Company of the conduct of any litigation and enforcement on behalf of the Council.
- 7.5 In the event that:

- (i) the BID Company is unable to take steps to enforce the BID Levy itself by any method; and
- (ii) the Council has failed to use its best endeavours or take all necessary steps to assist the BID Company in enforcing the BID Levy itself; and
- (iii) the total outstanding sum remaining unpaid as a consequence of the failure of the Council to take the appropriate action exceeds 5% of the total BID Levy for that Financial Year; then

the Council will pay to the BID Company from its own resources and on written demand from the BID Company the outstanding sums for which the Council has failed to enforce payment in accordance with this Agreement up to a maximum sum of £30,000 provided that nothing within this clause 7.5 shall prevent or limit any other claim or remedy the BID Company may have against the Council in tort for breach of statutory duty.

8 Accounting Procedures and Monitoring

- 8.1 Within 1 month from the Operational Date the Council and BID Company shall form the Monitoring Group which shall include the following representatives:
- (i) from the BID Company, the BID Company's Representative and Programme Co-ordinator (Finance); and
 - (ii) from the Council, the relevant representatives from the Regeneration, Business Development Manager and Finance Sections as appropriate and the Business Rates Manager
- 8.2 Each week thereafter the Council shall provide the BID Company with a report which shall include:-
- (i) the BID Levy due and payable by each Stakeholder together with details of any refunds or credits owed by the Council to any Stakeholder
 - (ii) the amount of BID Levy collected from each Stakeholder;
 - (iii) details (together with the outstanding unpaid sum) of those Stakeholders who have not paid the BID Levy together with the

Council's enforcement action or intended enforcement action in respect of such Stakeholders;

- (iv) summary details of any unpaid sums due to the Council from the BID Company;
- (v) information on any changes in the occupation of hereditaments liable to BID Levy and on any new Stakeholders.
- (vi) The balance then standing to the credit of the BID Revenue Account
- (vii) The sum being retained in the Bid Revenue Account for the time being in respect of Bad or Doubtful Debts

8.3 Within 14 days following the end of each Quarter both parties shall arrange for the Monitoring Group to meet for the purposes of:-

- (i) reviewing the effectiveness of the collection and enforcement of the BID Levy from the information made available pursuant to clause 8.2 above; and
- (ii) reviewing the progress in achieving the objectives set out in the BID Arrangements

8.4 The persons attending the quarterly meetings shall be the members of the Monitoring Group together other appropriate officers depending upon the matters to be discussed.

8.5 Both parties will also attend regular liaison meetings. Review of performance will be a standing item on the agenda. These meetings will be minuted and progress will be reported to the Business Rates Manager and the BID Company member in charge of the implementation of this Agreement.

8.6 Within 1 month from the end of the Financial Year the Council shall provide the Annual Report to the BID Company.

9 BID Company's Representative

9.1 The BID Company's Representative shall be such person nominated in writing by the BID Company from time to time to act in the name of the BID Company for the purposes of the Agreement.

9.2 From time to time the BID Company's Representative may appoint one or more representatives to act for the BID Company's Representative generally or for specified purposes or periods. Immediately any such appointment is made, the BID Company's Representative shall give written notice thereof to the Council.

10 The Council's Obligations

10.1 The Council shall, subject to this Agreement, carry out the Services in compliance with the Agreement. The Council shall proceed with all due expedition and diligence when demanding and collecting BID Levy from Stakeholders.

10.2 The Council shall administer the BID Revenue Account in accordance with good accounting practice and the Regulations and on receipt from the BID Company of a properly vouched invoice shall, subject to the Regulations, make payment to it within 28 days thereafter by BACS from the balance in the BID Revenue Account after due allowance has been made for Bad or Doubtful Debts.

10.3 At all times the Council shall provide the Services described in the Agreement with: reasonable skill, care and diligence; the utmost good faith; and to the Contract Standard set out herein and, subject as aforesaid, to the reasonable satisfaction of the BID Company's Representative.

10.4 The Council shall inform the BID Company's Representative promptly and confirm in writing if the Council is unable or fails to provide the Services or any part thereof, or if the Council is aware of anything of whatsoever nature which may hinder the Council from complying with the Agreement giving details of the circumstances, reasons and likely duration. The provision of information under this Clause 10.4 shall not in any way release or excuse the Council from any of its obligations under the Agreement.

11 Audit

11.1 For the purpose of conducting any audit investigation of the Agreement, each party shall throughout the Term provide all facilities and allow full access to the other or its auditors to:

11.1.1 all offices and premises for the purpose of inspecting records and documents in its possession, custody or control in connection with the Services;

11.1.2 all technology, resources, systems and procedures used or proposed to be used in connection with the provision of Services; and

11.1.3 Interview its staff and officers.

12 Assistance in legal proceedings

12.1 If requested to do so by the Business Rates Manager or the BID Company's Representative, each party shall provide the other with any relevant information in connection with any legal inquiry, arbitration or court proceedings in which the Council or the BID Company may become involved or any relevant disciplinary hearing internal to the Council or the BID Company and shall give evidence in such inquiries or proceedings or hearings, arising out of the provision of the Services. The reasonable costs and expenses of and occasioned by provision of such assistance shall be paid by the requesting party unless the inquiry, proceedings or hearings arose from the acts, defaults, omissions or breaches of the party providing assistance.

13 Confidentiality

13.1 To the extent permissible under the Freedom of Information Act 2000, 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 Stakeholders 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 provision of the BID.

14 Notices

14.1 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.

14.2 A Notice may be served by

14.2.1 delivery to the Business Rates Manager at the Council's address;

14.2.2 delivery to the Company Secretary at the BID Company's address specified above

14.2.3 Registered or recorded delivery post.

14.3 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.

15 Intellectual Property Rights

15.1 Copyright in all documents provided by either party to the other in connection with this Agreement shall remain vested in the party who provided them.

15.2 Where under Clause 15.1 copyright remains vested in the Council, the BID Company shall have unrestricted licence to use such document for all purposes envisaged by or arising under this Agreement.

16 Health and Safety

16.1 The parties shall at all times comply with the requirements of the Health and Safety at Work, etc. Act, 1974, the Management of Health and Safety at Work Regulations 1992 and all Orders or rules of law pertaining to health and safety.

17 Equal Opportunities

17.1 The parties shall comply with their statutory obligations under the provisions of the Equality Act 2010 together with any applicable anti-discrimination legislation and with the Council's policies as may be amended from time to time, copies of which the Council will provide to the Provider upon written request.

18 Data Protection

18.1 The parties shall comply with the provisions of the Data Protection Act 1998 so far as applicable to this Agreement and the Service and shall indemnify each other against all actions, costs, expenses, claims, proceedings and demands which may be brought against the other party for breach of statutory duty under this Act which arises from the use disclosure or transfer of personal data by the other party or its servants or agents.

19 Force Majeure

- 19.1 Either party shall notify the other in writing of any Force Majeure event as soon as it shall be aware of it.
- 19.2 Neither party shall be in breach of the Agreement by reason of any Force Majeure event. Each party shall bear their own cost arising as a consequence of the Force Majeure event.
- 19.3 Both parties shall use all reasonable endeavours to secure the resumption of the Services at the earliest possible opportunity following a Force Majeure event.

20 Whole Agreement

- 20.1 The Agreement constitutes the whole agreement and understanding of the parties as to the subject matter hereof and there are no prior or contemporaneous agreement between the parties with respect thereto.

21 Miscellaneous

- 21.1 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
- 21.2 The headings appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement
- 21.3 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
- 21.4 References to the Council includes any successors to its functions as local authority
- 21.5 References to statutes, bye laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power

22 Exercise of the Council's Powers

- 22.1 Nothing contained in this Agreement or implied in it shall prejudice or affect the rights discretions powers duties and obligations of the Council under all statutes bye-laws

statutory instruments orders and regulations in the exercise of its functions as a local authority.

23 Contracts (Rights of Third Parties)

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

24 Arbitration

24.1 The following provisions shall apply in the event of a dispute.

24.2 Where a complaint is made against either party or a dispute arises in relation to any part of this Agreement which appropriate representatives of the parties fail to resolve within a reasonable period of time (complaints or disputes should be resolved at the lowest level, wherever possible), the matter shall be referred in writing to the Council's Chief Finance Officer (or if the Council deems appropriate the Chief Executive) and the Chairman of the BID Company. These parties shall then meet and use all endeavours to resolve the issue or dispute.

24.3 Where any dispute is not resolved in accordance with clause 24.2 above within 28 days of referral to the same, it shall be referred to arbitration before a single arbitrator.

24.4 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.

24.5 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.

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

- (i) prosecute any such reference expeditiously and
- (ii) 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

24.7 The award shall be in writing signed by the tribunal and shall be finalised within 21 days

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

25 Amendments

25.1 Other than in respect of amendments to the BID, the BID Arrangements and/or the BID Levy in accordance with the Regulations (the definitions of which within this Agreement shall be amended to refer to the revised BID, BID Arrangements and/or the BID Levy) no amendment to this Agreement or Schedules shall be binding unless it is in writing and signed by the duly authorised representatives of the Council and of the BID Company and expressed to be for the purpose of such amendment.

26 Reciprocal Indemnities

26.1 The BID Company shall be liable for and shall fully and promptly indemnify and keep indemnified the Council, its employees and agents, against all liabilities, demands, proceedings, damages, costs, losses, claims, charges and expenses whatsoever in any way arising out of or in connection with:

26.1.1 the management of the BID by the BID Company; and

26.1.2 the injury to, or death of, any person howsoever arising whether in contract, tort or otherwise except and to the extent that it may arise out of the act, default or negligence of the Council.

26.2 The Council shall be liable for and shall fully and promptly indemnify and keep indemnified the BID Company, its employees and agents, against all liabilities, demands, proceedings, damages, costs, losses, claims, charges and expenses whatsoever in any way arising out of or in connection with:

26.2.1 a failure of the Council in the provision of the Services (other than a failure by the Council to take the steps and actions referred to in clauses 6.1 and 7 to enforce the BID Levy for which liability shall be limited in accordance with clause 7 above); and

26.2.2 the injury to, or death of, any person howsoever arising whether in contract, tort or otherwise except and to the extent that it may arise out of the act, default or negligence of the BID Company.

26.3 Both parties shall ensure that they have appropriate insurances in place to cover their potential liabilities under this Contract and in particular the BID Company shall maintain, continue to maintain throughout the Term, and provide reasonable evidence thereof to the Council, Public Liability Insurance up to a minimum level of cover of £5 million in respect of any one incident.

27 Applicable Law

27.1 This Contract is governed by and interpreted in accordance with English Law, and shall be subject to the exclusive jurisdiction of the English Courts.

IN WITNESS hereof:

EXECUTED as a Deed by the parties on the date which first appears on this instrument

THE COMMON SEAL of **LONDON**)
BOROUGH OF CAMDEN was hereunto)
affixed in the presence of:)

..... Authorised Signatory

EXECUTED and DELIVERED as a DEED) By **FITZROVIA PARTNERSHIP LIMITED**)
in the presence of:)

..... Director/Secretary

..... Director

SCHEDULE A

Council's Procedure Documents setting out
how it will administer, bill and collect the BID Levy charges.

SCHEDULE A-2012-2017

A. OVERVIEW

1. GENERALLY

- 1.1 The Council has specific responsibilities under BID legislation. However, it also owes a duty to the BID Company. Both the Council and the BID Company can assist each other through the manner in which each party discharges its own duties. This document sets out the responsibilities, practices and standards by which the Council will provide the Services and also those of the BID Company, and the arrangements for monitoring and reviewing these.
- 1.2 The two organisations will therefore work as partners in the administration of the BID, with the joint goal of providing Stakeholders with the best service possible. Both parties will recognise the key role of the other and assist one another in achieving this.
- 1.3 The Council will ensure that sufficient staff resources are allocated to the Services and to ensure that these are dealt with within the timeframes set out in legislation, as agreed with the BID Company or this Agreement.
- 1.4 The Council will make all reasonable efforts to ensure that the Software remains free from all known faults, programming errors and other related defects.
- 1.5 The Service shall cover all aspects of BID administration, billing, collection and enforcement, including determining liability, rebates and/or hardship relief as well as decisions on bad or doubtful debts.
- 1.6 The Service will include the production and printing of BID output, including bills, payment booklets and relevant account reports. The Service will also include print distribution and form design.
- 1.7 The Council will also be responsible for the appropriation of payments, reconciliation of cash received/transferred to the Civiva system and transfers made to the BID Revenue Account, as well as liaison with the Co-op Bank.
- 1.8 It will also be responsible for providing representation at Court for all court hearings relating to liability orders and/or committal hearings, as well as Bailiff redress. Should an action for Replevin be instigated in the County Court, again the Council will be responsible for the preparation of the relevant evidence

2. BID REVENUE ACCOUNT AND PAYMENT OF THE BID LEVY

- 2.1 Immediately upon the Operational Date (or in any event within 30 days thereafter) the Council shall comply with the relevant legislation and have a BID Revenue Account in place
- 2.2 Immediately upon the Operational Date (or in any event within 7 days thereafter) the BID Company shall provide the Council with details of its own bank account into which the BID Levy shall be transferred from the BID Revenue Account.
- 2.3 On each Payment Date (or as soon as possible thereafter, and subject to the prior receipt of a valid invoice) the Council shall transfer to the BID Company via a bank automated clearing system at least 90% of the Payable BID Levy and shall notify the BID Company in writing that such transfer has taken place.
- 2.4 The Council may retain up to 10% of the Payable BID Levy in order to satisfy any refunds that may be required in the following Financial Year as a result of fluctuations in rateable value or successful appeals against liability by Stakeholders. In the event that the Council incurs liability to refund sums in excess of 10% of the Payable BID Levy in any Financial Year the excess shall be a Deduction for the purposes of calculating the next Payable BID Levy
- 2.5 Within 20 working days following the expiry of the relevant Financial Year the Council shall then transfer to the BID Company the remaining 10% of the Payable BID Levy for that Financial Year

B. CASH COLLECTION

3. GENERALLY

- 3.1 Cash flow and collection rates are mutually dependent. Poor collection rates create cash flow difficulties, while delays in recovery and enforcement not only cause cash flow losses but make eventual collection more difficult.
- 3.2 Effective collection of BID Levy involves the successful integration of many interdependent activities. The following have a particular importance and will enable the Council to maximise collection of the BID Levy.

4. BILLING

- 4.1 Cash flow and collection levels are primarily affected by when the Council sends out bills. The Council will therefore ensure that accurate bills are despatched by agreed dates in order to meet the earliest possible dates for payments (i.e. 1st April of each Finance Year) to maximise the BID Company's cash flow.

- 4.2 The Council will be responsible for ensuring that annual and one off bills are despatched on time. End of year planning will commence in January, and will involve liaising with BID Company's Representative, attending pre-planned end of year meetings regarding the possible amendment of the BID Levy for the coming year as well as the production, printing, enveloping and posting of the bills.
- 4.3 Bills and adjustment notices issued throughout the year will be automatically produced by the Council's Civica (IBS) Business Rates system. Billing batch runs will run weekly. All bills will give a precise breakdown of liability, with separate bills being produced for each BID year. Apart from being clear, the bills will also include explanatory information as may be required under the BID arrangements.
- 4.4 Early billing is crucial as it:
- Will convey the fact that the Council and the BID Company are professional and efficient organisations
 - Improves cash flow
 - Front-loads work, allowing reminders and other recovery action earlier in the year.

5. INSTALMENTS, CORRESPONDENCE and BACKLOGS

- 5.1 The Council will ensure that Stakeholders are supplied with information in order to make payments directly to the Council in accordance with the BID Arrangements. The Council will offer instalments as set out in any relevant legislation or, if feasible, in any administration scheme adopted by the BID Company and, upon agreement between the parties, allow payment via other methods (such as direct debits and via cash booklet).
- 5.2 Payment frequencies allowed will be those set out in the BID Arrangements. Consider allowing instalments in BID in excess of the time limits allowed by the BID Arrangements in exceptional cases where this improves the chance of collection.
- 5.3 The council will liaise with both cashiers and creditor sections in order to ensure cash is expeditiously credited. Where payments cannot be allocated due to lack of information, the Council will contact the relevant Stakeholders or their bankers in order to overcome this.
- 5.4 Where collection levels are poor, this is normally due to excessive backlogs of work, which result in repeat correspondence, complaints and ultimately delay in payment until such a time as the enquiry has been addressed and a response sent. The council will therefore always strive to work within the performance standards set out in Table 1 below and try and eliminate the detrimental effect that non-compliance would otherwise cause.

Table 1

KEY PERFORMANCE INDICATORS

A. Response to Customer

	Performance Indicator
• 95%	• % of letters answered or acknowledged within 5 working days
• 100%	• % of letters answered within 10 working days

B. Response to Customer 2

Target	Performance Indicators
• 100%	• % of telephone calls answered within 5 rings

C. All other work

Target	Performance Indicators
• 100%	• % of occupations/vacations updated within 10 days of information being received
• 100%	• % of bills or adjustment notices sent within 10 working days of relevant information being received giving rise to the documents
• 90%	• % hereditament changes received from the valuation office applied within 10 working days
• 100%	• % hereditament changes received from the valuation office applied within 30 working days
• 100%	• Recovery action to have been instigated against non-payers within 30 days of due payment date for non-payers
• 100%	• Court action to have been commenced within 60 days of due payment date for defaulters.

(D) Management Information Requests

Target	Performance Indicators
• 100%	• BID Levy Debit and collection statistics provided weekly via reporting provisions.
• 100%	• Full financial details of all BID Levy payers to be provided weekly, reports to include information showing how much they were charged, how much paid to date, how much is still owed, as well as recovery status and hereditament liability details, including property address and rateable value.
• 100%	• Information issued regarding recovery action planned for non-payers, issued in accordance with the recovery timetable. This will be supplied by the NNDR team leader to an appointed representative from the BID operator.

6. MAINTAINING AND UPDATING RECORDS

- 6.1 The Council will ensure its records are up to date and ensure that the proper person is billed. Poor quality records lead to the wrong Stakeholders being billed. Billing the wrong Stakeholders reduces the collection rate and can lead to wasted recovery and enforcement action.
- 6.2 The Council will ensure that record keeping and recovery and enforcement work are linked, particularly where no payments have been received and where there has been no positive contact with the Stakeholder concerned. This will be achieved by having designated staff resources allocated specifically to this Contract to deal with this
- 6.3 Deliberate non-payment undoubtedly will exist but bills are unlikely to be paid if they have been sent to incorrect addresses or to Stakeholders who left some time ago. Stakeholders who wish to query their bill may also delay payment. The Council will therefore identify cases where there has been no payment of any sort in the current or previous financial years, and where there has been no other contact from the Stakeholders. The Council will check records and make enquiries, as part of recovery work rather than routinely pass all liability orders to external bailiffs on the assumption that the database is correct.
- 6.4 The Council is also very aware that the database is not static. Council will ensure the database is amended when liability alters, for example when a Stakeholder stops trading and vacates. The Council will use a variety of sources of information to identify such changes apart from notification of changes in address sent by Stakeholders. These sources may include a physical inspection of the property by Council staff, utility checks such as the LEB, a land registry or company search and in-depth tracing by expert tracing companies.

- 6.5 The Council accepts that Stakeholders may also abscond deliberately. The Council recognises the importance of accurately recording the actual collectable arrears, and where the Stakeholder disappears without trace, the Council will write off the debt as irrecoverable. Likewise, the Council will write off credits where the whereabouts of the Stakeholder is also unknown but offset this against w/off's of irrecoverable debt to minimise losses to the BID Company.
- 6.6 Where reviews are applicable, such as in the case of properties not being deemed to be included in the BID scheme, the Council will provide the BID Company with whatever information is necessary and within its means to allow the BID Company to come to a conclusion either way on completion of the review. This may be by way of confirmation of empty/occupied status, confirmation that property is/is no longer occupied by a charity or a particular type of trader or confirmation as to how the latest description classifies the property. The Council will also provide a copy of the latest Valuation List electronically on request and work with the BID Company's Representative to build up reports to provide the relevant data as may be necessary to build policy or provide management information as may be required.

7. RECOVERY AND ENFORCEMENT

- 7.1 Recovery and enforcement begins with the issue of a reminder and can end with the seeking of a debtor's committal to prison or to insolvency proceedings. The planning and implementation of activity runs such as reminders, finals and summonses etc, will need to be well established and follow a pattern to ensure stability in cash flow and to enable the
- 7.2 A clear and early timetable will therefore be provided each BID Year.

8. REMINDER / FINAL DATES

To be supplied to operator prior to main billing.

The effective use of this process will; ensure

- early action against arrears cases
- ensure early contact with current year debtors
- minimise the need to move to the next stage
- balance the administrative costs of recovery and enforcement against cash flow savings and increased collection rates
- distinguish Stakeholders who are able to pay via a budget scheme from those suffering from insolvency and likely to fold
- try and clear a current year's debt within the year wherever possible, but make realistic payment arrangements and carry these into the next year, if necessary

The Council will also be innovative in its approach. If necessary the Council will use profiling in order to take additional or earlier action against those Stakeholders with late payment histories or those who refuse to pay.

9. REMINDERS & FINAL REMINDERS

- 9.1 Reminders will be issued monthly, according to a pre-planned timetable, and will cover all defaulters except those excluded on purpose, e.g. those who have written in and have not yet, at the time of the reminder run, had a reply. Suppressed cases will be strictly monitored in order that action is not inhibited unnecessarily and in order to pursue payment immediately queries are resolved. The issuing of regular reminders will also allow the cancellation of monthly instalments if a reminder notice is issued for the second time that the Stakeholder is late in paying an instalment. This will increase cash flow will then be taken against the outstanding rate to 31 March
- 9.2 All Stakeholders with outstanding debts in February will have a final reminder issued against their accounts then. If the debt remains unpaid and is carried forward into the new financial year as arrears, this action will ensure that they can be picked up on the earliest possible summons run in the new financial year and therefore should ensure early collection of arrears.

10. SUMMONSES

- 10.1 The Council will apply for a s u m m o n s about three weeks after sending a final reminder in order to apply for a liability order. The Council could apply for summonses earlier but will always make a conscious effort of running a "pre-list" immediately after the statutory 14 day limit for payment elapses and between 5 to 10 days before the date of application for summonses. The "pre-list" allows the Council to carry out pre-summons checks therefore ensuring summonses are not issued where there are outstanding enquiries. This will also be issued to the BID operator by the NNDR Team Leader.
- 10.2 The Council is very aware that with arrears cases it is crucial to take decisive action early as otherwise the probability of actual collection starts to reduce as the debt gets older. In view of this, the Council's proposed recovery timetable allows for a summons run specifically for arrears cases in April.
- 10.3 For those arrears cases not included in the April summons run, the Academy computer system provided by the Council will allow for recovery action either by individual year or all years together. The latter will allow more than one years' BID Levy to be included on one summons for non-payment for all outstanding debts. The Council will, therefore, subsequently take action against the totality of a Stakeholder's indebtedness in one go, simultaneously collecting both current year BID Levy and arrears.

11. POST LIABILITY ORDER ACTION

- 11.1 The issuing of a summons leads to payment or persuades the debtor to contact the Council in a minority of cases. Once a liability order is issued by the local court, the Council will have a range of options to choose from in order to enforce payment.
- 11.2 It will always be the Council's preferred option to obtain payment by agreement, preferably in a lump sum. If this is not feasible the Council will (if the debtor's cooperation is obtained) agree to payment by instalments.
- 11.3 If the debtor breaks the arrangement the Council will refer the matter to bailiffs. The Council acknowledges that distress is an ineffective way of recovering debts, but from past experience, has learnt that the threat of distress can be a powerful incentive to pay.
- 11.4 The Council will always check for other liability orders obtained against the same debtor and whether they are still being enforced in which case they will always be linked.
- 11.5 If justified by the reply rate, the council will write to debtors first after having obtained the liability order, requesting payment or asking the debtor to contact the Council. Failure to respond will result in the case being passed to bailiffs.

- 11.6 If the bailiffs return the liability order due to the Stakeholder having ceased to trade and/or moved away without trace, the Council will carry out checks as to their whereabouts by using all tracing methods at its disposal.
- 11.7 Where bailiff action fails and the forwarding address of the Stakeholder is known, the Council will endeavour, if circumstances and resources are permitting, to either refer individual Stakeholders back to the Court for Committal action or instigate insolvency proceedings as a recovery tool. In this respect, and due to the large costs involved,, the Council will always contact the BID Company and obtain its agreement to proceed first.
- 11.8 In the case of individual Stakeholders, the Council will obtain information as to their expenditure and income, compile a committal file and present it at the Magistrates' Court for committal action in lieu of non-payment.

12. TELEPHONES

- 12.1 The most common means of communication with Stakeholders will be by telephone. Apart from good telephone practice and procedures, the best tool to deal with the volumes received by the Council is an effective exchange system enhanced with the latest automated call distribution system. The Council will provide such a system, the Mitel automated call distribution system.

13. GOOD USE OF IT

- 13.1 The Council acknowledges that IT can be used to improve staff utilisation and to provide management information to support the recovery process as well as to improve collection levels.
- 13.2 The system supplied by the Council's IT contractors will have a specific BID module with specific billing, recovery and management areas to account for BID Levies. This will be supported by the Council's local document image processing system as well as the corporate E-mail.
- 13.3 Together the systems provide enhanced management information which can be used to target recovery and enforcement action more effectively, for example by ensuring the Council does not apply for the issue of summonses where correspondence has not yet been replied to.

14. CUSTOMER CARE

- 14.1 Good communication with Stakeholders, such as clear bills and prompt responses to enquiries, is more important than a simple courtesy call. The Council will therefore help Stakeholders to understand the system, which will lead to improved cash flow and collection levels and reduce administrative effort.

- 14.2 The Council will design and provide BID Levy notices in a standard consistent with the Plain English Campaign.
- 14.3 The Council will ensure that it always has up to date collection and recovery procedures that integrate and complement customer care objectives. This will be enhanced by the setting of clear standards for high quality communication with Stakeholders which will convey professionalism.
- 14.4 Council staff will receive continuous on-the-job training in order that they are updated with changes in legislation, policy, procedure and all computer systems, so that they are able to respond to Stakeholders in an efficient and professional manner.

15. EFFECTIVE MANAGEMENT

- 15.1 Good management is essential in order to achieve and maintain high collection rates and administrative efficiency. Although the BID Levy collection service will be a small part of the work the Council will do, it will have at least 3 officers allocated to it on a part-time basis who (in their provider roles) will follow the requirements of the legislation and agreements in place with the BID Company to ensure adherence to all policies and standards agreed.
- 15.2 The Council will set detailed targets for all individual staff and collect the relevant information and examine it frequently. This will help identify and respond to problems as they appear.

16. STAFFING & ACTIVITY LEVELS

- 16.1 The Service (apart from having specific staff resources allocated to it) will benefit from a minimum of 17 full time staff equivalents which make up the staff within the Council's Business Rates section. The Contract Manager will liaise directly with the BID Company's Representative regarding policy issues and management information and there will be a Senior Valuation Officer who will manage the BID accounts as well as various other officers who can provide help and information on an as and when basis.

17. SUMMARY

- 17.1 All of the above mentioned action will ensure that cash collection is as efficient as possible. If it is perceived that collection rates are about to fall, the Council would, after consulting and discussing the problem with the BID Company, carry out the following:
- Increase reminder frequency
 - Liaise with the local court with a view to obtaining additional court dates

- Target large debt accounts
- Reduce time allowed for post liability order payment arrangements
- Immediately pass liability orders to bailiff after they are issued by the court
- Instruct bailiffs to fully collect outstanding monies on individual cases quicker
- Ensure that the only pre-recovery instalments allowed are those in accordance with legislation

D. ACCOUNT MANAGEMENT, RECOVERY AND ENFORCEMENT

1. GENERALLY

- 1.1. This section sets out how the Council would deliver the various elements of the Service.
- 1.2. The Council's Business Rates Section is experienced in implementing change and improving and developing service delivery. The Council has always planned and controlled legislative and procedural changes to ensure that they are introduced with minimum disruption and inconvenience to customers.
- 1.3. Currently, the administration of business rates encompasses all the work areas likely to be found in the administration of BIDs. As such the Council is confident that this section will address the specific areas likely to be required within the legislation.

2. LIABILITY, BILLING & COLLECTION

- 2.1. At least 21 days prior to the Operational Date the Council shall:-
- 2.1.1. Calculate and raise the BID Levy for each Stakeholder in accordance with the criteria set out in BID Arrangements together with any applicable discounts where the Arrangements so allow it.
- 2.1.2. Produce an electronic output file to be used for the printing of demand notices in good time for service of such notices to be able to occur at least 14 days prior to the beginning of the chargeable period.
- 2.2. The establishment of liability, billing and collection will be carried out by 8 multifunctional rating assistants. This is because every time the rating assistant amend the business rates database, should the particular property be subject to a BID Levy, then the levy charge will be automatically updated by their actions. This should ensure that there is continuity of service, regardless of any one officer being absent.
- 2.3. Generic staff have successfully reduced unnecessary contact with the Council's customers as they effectively act as one-stop shops. Officers, who currently deal with billing and recovery of Business Rates, also deal with BID Levies. This will provide a higher quality service and ensure consistency. In addition, all officers provide the same facility regarding telephone enquiries. Customers do not need to be passed to another officer when they telephone. They will additionally be backed up by the Business Rates Team Leader and the Collection and Policy Manager, where necessary.

- 2.4 The majority of activities determining Business Rates liability (and therefore BID liability) will be via the methods set out below to enable an accurate and timely bill to be issued:
 - 2.4.1 Correspondence and telephone calls from customers (existing or new liability)
 - 2.4.2 Returned business rates notices
 - 2.4.3 Response to post summons investigations by staff, inspectors and bailiffs
 - 2.4.4 Response to empty property reviews
 - 2.4.5 Response to charity/discount reviews
 - 2.4.6 Tenancy change to list from borough Valuers
 - 2.4.7 Licencing applications from trading standards
 - 2.4.8 VOA Notifications
 - 2.4.9 Land registry searches
 - 2.4.10 Routine Property Inspections
 - 2.4.11 Information from sundry debtors or council tax sections
 - 2.4.12 Internet searches

outside organisations are excellent and have increased efficiency significantly.

- 2.6 The Team will of course abide by any instructions received from the BID Company regarding the inputting or removing of any discount, exemption or relief from the BID Levy. As regards hardship relief (if such a scheme has been adopted by the BID Company) the Team will first seek to establish the facts by requesting and evaluating information regarding each individual case.
- 2.7 Before hardship relief is given, the Team will issue an application form and always request a set of the last two years accounts, details of assets, including bank/building society cash, value of endowments/shares held, equity in property or other assets together with a statement of income and expenditure as well as details of any other action taken by other creditors. This information will either be passed to the BID Company for determination or [if this is delegated to the Council Collection and Policy Manager], that Manager will make an assessment and subsequently a decision based on the information available at the time, based on the case's individual merit.
- 2.8 In all cases the decision on the granting/refusal of hardship relief will be notified to the Stakeholder in writing and if appropriate, will be followed by an amended bill with revised payment instructions.

3. DISPUTED LIABILITY

- 3.1 Previous experience suggests that the number of formal appeals against the determination or extent of liability will not be significant. Any disputes therefore will either be dealt with by the Team, or in the event of the matter going to litigation, by the appropriate legal officer within the Council.
- 3.2 Most disputed liability cases will be under the wrongly billed umbrella, and the majority of these will be dealt with at rating assistant level as and when they occur.

4. BILLING

- 4.1 The team has significant experience in production of annual bills, new bills and of amending bills throughout the year together with the additional notices that have to be issued. The Council are aware that no person is under a duty to pay a BID Levy unless a bill has been issued by the Council (being the 'relevant billing' authority under the Regulations.)
- 4.2 Significant planning and liaison is required to ensure that accurate bills are despatched in March to meet the earliest possible date for instalments and therefore to maximise the BID Company's cash flow.
- 4.3 The Council will be responsible for ensuring that annual and one off BID bills are despatched on time. End of year planning will commence in January. Where possible checks will be carried out to ascertain the integrity and accuracy of the data calculated by the computer system and the timings of batch runs to ensure that all processes are in place and tie in with the timing slots available for the function.

4.4 As previously mentioned bills and adjustment notices issued throughout the year will be automatically produced by the Council's Civiva (IBS) system. Billing batch will run weekly. This ensures that the BID Company's cash flow is protected. All bills will give a precise breakdown of liability, with separate bills being produced for each rate year. The bills will also include any explanatory information required under the legislation.

5. COLLECTION

5.1. At least 14 days prior to the BID Annual charge becoming due for any financial year, the Council shall issue to every liable BID Levy payer, having received the relevant documentation from the Operator to enable it to do so:-

- a demand notice setting out the amount due and payable,
- additional explanatory information as may be required to be issued by legislation or by the BID Company.

5.2. For other BID liabilities becoming due or amended throughout the year, the Council shall issue a new or revised demand notice as soon as practicable after the information giving rise to the changes are received.

5.3. The actual receipting and processing of payments will be carried out by the Council's cashing and income management system. Wherever possible, payments will be uploaded daily so that the Civica (IBS) totals always reflect the latest possible financial position.

5.4. Notwithstanding the above, it is recognised that cheques, postal orders, BACs transfers, Internet payments and even cash received could be sent to the Council without the relevant account references. Should this occur, the Council will investigate and find the correct account references, sort cheques, allocate account numbers and either pass items to the Council's cashiers for paying in or secure any payments overnight and pay in the next available working day.

5.5. The Council will ensure that the stated payment methods are available to Stakeholders by providing the necessary documents and advice on how to use them with all bills and notices issued. Payment frequencies allowed will be those set out in the BID arrangements except in special circumstances.

6. RECOVERY

- 6.1 Because the Team are multi-functional, the same staff who deal with liability, billing and collection, also deal with the recovery issues. This enables these officers to build up information on and knowledge of particular debtors and use this to ensure appropriate action is taken.
- 6.2 Clearly this provides many advantages as in most cases an officer will follow a case from liability to instigation of enforcement, therefore vetting the circumstances and ensuring only the correct action is taken. As mentioned above, action taken by officers under the recovery process includes the making of payment arrangements, attendance at court for liability order hearings and the processing of all the legislative methods of collection (distrain, insolvency, County Court action, committal etc).

7. ENFORCEMENT

- 7.1 In the event that the BID Levy payment date is not complied with, the Council shall instigate enforcement action against non-payers as per its enforcement procedures in place for dealing with both non domestic rates and the BID Levy. If necessary, the Council shall instigate Court action as required at its own expense. The billing authority will however keep any cost income raised or charged via court action and subsequently collected.
- 7.2 Enforcement timetables are planned in advance, around February of the preceding financial year, and after consultation and agreement of court dates with the Magistrates Court. The planning and implementation of activity runs such as reminders, finals, summonses etc, is now well established and follows a pattern to ensure stability in cash flow and to enable the Council to maximise collection of the BID levy.
- 7.3 Copies of the plan will be given to the BID Company prior to the commencement of the Financial Year and will be available to all rating officers. This allows the Team to plan leave around key dates and allows other Council services, such as cashiers, to gear up for peaks in work volumes created by the issue of bulk reminders and summonses.

8. REMINDERS AND FINAL REMINDERS

- 8.1 Final reminders will be issued on a monthly basis automatically by the system in accordance with preset parameters. These notices will include current year outstanding amounts as well as previous years arrears, if more than one year's Levy is outstanding. There is a facility within the system to suspend the issue of these reminders, if there is a continuing query on an account or if the correspondence received has not yet been dealt with. It is proposed that these suspensions will be strictly controlled and monitored by the Collection and Policy Manager via regular periodic reviews.

9. SUMMONSES

- 9.1 Summons will be positively selected on preset criteria (which will include all 'clean' cases after one final reminder has been issued and where the amount outstanding still remains unpaid). This will be achieved and controlled by a 'pre-list' being produced 3-5 days prior to the live summons run to highlight all potential cases where a summons could be issued. All cases on the list will then be looked at, the Team taking time to check individual account notebooks, history and balance screens as well as referring to the guidance notes relating to this area of the work in order to ensure that progressing the matter to the issuing of a summons is justified. The NNDR Team Leader will provide the BID operator with a copy of the Pre-List to enable them to carry out any enquiries that they wish to make, or to advise the Council of cases they wish not to receive a summons.
- 9.2 The Team will continue with its policy of concentrating on the collection of BID Levy first and costs second. The Team will of course comply with the BID Company's reasonable requirements re: cost levels and income collection, but reserve the right to renegotiate the costs level taking into account both the original levels set and the effectiveness of the Council's BID specific module as provided by Civica (IBS).
- 9.3 Cost income shall be retained by the Council. Any decisions to withdraw costs or to enforce costs outstanding only will therefore be in the sole discretion of the Council.

10. POST LIABILITY ORDER ACTION

- 10.1 The Council's approach to the collection of arrears when full payment has not been made is as follows. The Council:
- If contacted following receipt of a summons, will first agree a payment arrangement, before the court issues a liability order. This arrangement will be inclusive of all costs.
 - will negotiate and agree payment arrangements either after court or offered via telephone or in writing and received from the Stakeholder, up to and including the day of the court hearing
 - if granted, may issue the liability order to external bailiffs who will have the discretion to make payment arrangements within defined parameters. Accounts may be issued to the bailiff once a liability order is granted, without any further reference being made to the debtor. Again, copies of the bailiff pre-lists will be passed to the Operator by the NNDR Team Leader and the Operator has the discretion to request any case not to be referred. All requests must be made via the NNDR Team Leader.
- 10.2 The members of the Team will be closely monitored to ensure that they comply with the Council's recovery policy, legislation and the requirements of this Schedule. Formal contractual arrangements will be entered into the third party collectors (bailiffs) in order to ensure compliance and adherence to set targets, an

essential too in achieving both collection performance and value for money. Any bailiffs employed by the Council will also be instructed to adhere to Council policies.

11. PAYMENT ARRANGEMENTS

- 11.1 Regardless of the fact that the Council may have obtained a liability order, it will accept post-liability payment arrangements. Where possible a fair and reasonable arrangement will be one where the Stakeholder either accepts or offers to pay the outstanding BID Levy via monthly instalments and by the end of the Financial Year. If this is not feasible, then cases will be looked at according to individual circumstances and where due to exceptional circumstances a longer period of time is required to discharge the debt, this will be negotiated.
- 11.2 Any such arrangements will be input into the computer system and subsequently monitored automatically, an exception report being produced for all accounts not complying. When this occurs, the Council will refer the matter immediately to bailiffs.

12. DISTRESS

- 12.1 Once a liability order is designated as "to be issued to bailiffs" the Council will always check for other liability orders obtained against the same debtor and for whether they are still being enforced, in which case the Council will always link cases.
- 12.2 If the bailiffs return the liability order due to the Stakeholder having ceased to trade or having moved away without trace, the Council will carry out checks as to their whereabouts by using all tracing tools available at that given point in time.
- 12.3 As previously mentioned, where bailiff action fails and the forwarding address of the Stakeholder is known, the Council will, if circumstances so require and resources are permitting, either refer individual Stakeholders back to the Court for committal action or instigate insolvency proceedings as a recovery tool.
- 12.4 The Council will institute Committal action in cases where the prerequisites have been met, e.g.;

the bailiff having returned the liability order as a Nulla bona case (having certified that after making a diligent search for the goods and chattels of the Stakeholder he found no or insufficient goods of the Stakeholder on which to levy)

- Where there is hardship but the BID company has refused (for whatever reason) to grant hardship relief
 - Where refusal occurs
 - Where all other possible methods of collection have failed or are deemed impracticable
- 12.5 In such cases, the Council will ensure that all relevant information is gathered, including details of income and expenditure, before the matter is referred to the Magistrates' Court.

13 INSOLVENCY

- 13.1 Although this does not happen often, there is always the possibility that after a liability order has been issued, for whatever reason, it is unenforceable. In this scenario the Council will lodge a claim with the insolvency practitioner or official receiver in order that the BID Company's debt may be noted. The Council will prepare a case file and write off the levy debt from the database. It will then pass information regarding the relevant case to a designated insolvency practitioner provider, so the case may be monitored and any potential dividend payments tracked.
- 13.2 The Council will continue to communicate with the insolvency practitioner with regard to information as to the state of the property (asking whether the lease has been surrendered, or if property sold etc) at least 4 monthly intervals thereafter, regarding the possibility of a dividend, until such a time as the practitioner declares the case finalised.

14 RECOVERY INNOVATIONS

- 14.1 The Team has substantial experience of planning and implementing different recovery solutions. Although the activity levels are set out in the recovery timetable, these are not set in stone. The Team will be sufficiently flexible in either adding or subtracting runs from the timetable in order to ensure collection targets are met.
- 14.2 The Team is also aware that some Stakeholders may be persistent late payers and require a summons before full or part payment is made. It is logical to identify these cases and issue a summons and pursue payment up front with these categories as soon as possible during the year.
- 14.3 The Team already holds data regarding payment profiles. Pre-summons lists can be run for specified profiles and Levy income recovered appropriately.

14.4 It is intended that the Council will pursue negative profiling of different categories to identify groups or type of Stakeholders that may require a more proactive recovery approach. The advantages of targeting these defaulters will be that

- It will enable any resulting payment to be set up as early as possible to ensure early payment of the levy
- As this type of payer would normally also owe arrears for a previous period it will be possible to pick up any outstanding balance and add the current period when informing them of the allowed payment arrangement
- Staff will immediately know, when discussing costs, that the Stakeholder has received a summons before
- Due to known history, it is possible to issue a larger number of summonses at a time
- having issued summonses to the majority of the regular late-payers at an early stage, it will be possible to commit more active recovery time on other long standing cases where payment has yet to be made.

15. WRITING OFF IRRECOVERABLE DEBTS

15.1 The Council recognises the importance of accurately recording the actual collectable Levy. Actively dealing with cases returned unpaid from bailiffs, the processing of cases by age analysis and the off-setting of credits against debits within the same accounts all help. All this work would be wasted if after identifying the debt no action is taken on the results. The Council proposes removing any irrecoverable BID debt from the database immediately, once it has completed its investigations and can justify this course of action.

15.2 The Council has over many years developed criteria to assess the likelihood or success rate of recovering particular debts. These have been approved by both its own External and Internal Audit and are well established. By adhering to the above, the Council will always be in a position to know what the true level of BID Levy charges is and as such to be able to justify to the BID Company the fluctuation to the collectable Levy and the likely income to be collected.

16. RECORDS AND ACCOUNTS

16.1 The Team is an active participant in the developer's software user group. It is therefore well placed to ensure development of the Civiva (IBS) system to meet the objectives of the BID Company as well as to ensure that the Council is supplied with a tool that works and enables it to comply with legislation and, on a practical level, produces the relevant outputs to ensure billing and enforcement documentation is produced.

16.2 The system will control liability and calculate changes accurately and promptly having due regard to any changes.

16.3 All credits, including write offs, and debits will be reconciled and balanced.

- 16.4 All credits will also be independently reconciled to the Council's responsibility to manage all dishonoured payments and the suspense account for unallocated payments.

17. PROPERTY INSPECTIONS

- 17.1 Property inspections will be carried out by two dedicated inspectors. Their main duties include obtaining information in connection with Business Rates but as regards BID hereditaments they will additionally provide information regarding changes in use, description, category etc.
- 17.2 Inspectors will be critical in providing justification for the writing off of bad or irrecoverable debt and therefore will carry out visits and site inspections regarding Stakeholders who have potentially absconded or where the Council receives correspondence marked "gone away".
- 17.3 It will also be their responsibility to issue completion notices after determining a completion date in circumstances where a building has been completed, or where the work remaining to be done to a building is such that it can reasonably be expected to be completed within three months. This will allow the Council to inform the VO of new properties developed units area and subsequently for this information to be passed to the BID Company so it can make a decision to include / not include additional properties in a BID area into the BID list.
- 17.4 The Council would also expect that any properties identified by the BID operator, which are not readily identifiable on their weekly output reports received from the Council, should be communicated to the NNDR Team Leader for investigative action.

18. CUSTOMER CARE POLICY

- 18.1 The Council will operate the Service so that its Recovery and Customer Care Policy is adhered to, and will ensure that all staff are aware and have been trained in working to the principles contained within.
- 18.2 The Council will ensure that its collection and recovery procedures integrate fully and complement the customer care objectives of striving to:
- supply a fair and helpful service, which reflects the difficulties people can have meeting their liability to the Council and to the BID Board;
 - use experience and sound procedures to deal with each case on its own merits;
 - make savings by taking recovery action en bloc by use of computer systems, but never forgetting its responsibility to deal with each individual case on its own merits.

19. INTERNAL CONTROLS AND CHECKING PROCESSES

- 19.1 The Council's Business Rates Section recognises the importance of good

internal control and internal checks, in relation to the business requirements of Service.

- 19.2 All staff are aware of the requirements of the internal controls and independent reviews that are carried out by both External and Internal Audit. It is an inherent duty of the Collection and Policy Manager and the team leader to ensure procedures are carried out, continually checked and reviewed, so that all staff within their responsible area are complying with the necessary control requirements.
- 19.3 The above will act as a deterrent against inaccurate and bad quality output, as well as dishonesty and will ensure that the service is provided by careful, honest, experienced, trained and skilled staff.

20. DELEGATED AUTHORITY

- 20.1 The BID Company may delegate power, through agreed SLA's, for the Council's Business Rates Section to administer the BID Levy.
- 20.2 In turn, rating officers within the Service will be instructed to carry out functions commensurate with their grade and job responsibilities. In respect of this Service, these include:

- 20.2.1 Billing Amendments
- 20.2.2 Refund of overpayments
- 20.2.3 Exemption for Empty/Unoccupied
- 20.2.4 Property Granting of Hardship/Mandatory Relief
- 20.2.5 Service of completion notices
- 20.2.6 The issue of Reminders/Final notices
- 20.2.7 Despatch, printing and mailing of notices
- 20.2.8 Court representation, prosecution and application
- 20.2.9 Instigation of insolvency proceedings
- 20.2.10 Instigation of recovery by way of Charging order / County Court
- 20.2.11 Appointment of Bailiff/Collection Agents
- 20.2.12 Authorisation of officers to pass cases to third party
- 20.2.13 Referral of cases to Council's Legal Division (disputed cases)
- 20.2.14 Recommendation and write off of irrecoverable debt
- 20.2.15 Liaison with all external relevant agencies / bodies

21. SYSTEMS PASSWORD CONTROL

- 21.1 There are several levels of security before gaining access to the Civica (IBS) System.
- 21.2 At all levels system users ID's are created by the Council's Revenues Systems and Control Manager. No other member of staff has access to this. This control access strengthens the security of the system.
- 21.3 No user is created until a formal request is issued to the Council's Revenues Systems & Control Manager, who will decide the access level to be allowed for the individual and authorise it.
- 21.4 Once the user is created on the system, the e-mailed request is kept and filed for audit purposes. Changes to a user's access level or user role are also likewise recorded, as are deletions of users when a member of staff leaves.
- 21.5 All passwords are discreet, i.e., never appear on the screen when typed in. Each user is allocated an individual user and password on this system and is obliged to allocate a new password the first time they log in. A change of password is forced every month and the new password cannot mirror the old one.

22. MAILING - Incoming post

- 22.1 All Incoming post received through the Council Tax & NNDR Division's post room will be opened and sorted by the Division's central administration staff.
- 22.2 All post is opened the same day and distributed within 24 hours. Any remittances, cash or cheques, are sorted and sent to the Council's cashiers for paying in before the correspondence is sent for processing.
- 22.3 All post is subsequently referenced and scanned to the system and automatically allocated to the Rating Officer's respective working group for processing. This has the advantage of controlling what is received and ensures the performance targets are maintained by immediately highlighting those items not dealt within the target period.

23. CIVICA (IBS)- BID LEVY SYSTEM DISASTER RECOVERY

- 23.1 The Council will be using existing arrangements provided to the Business Rates section.
- 23.2 There is in place via a formal contract with a third party provider Civica to guarantee the resumption of services in the event of force majeure. It is tested annually and is maintained, so as to address the continuing change management issues surrounding new hardware and modified application software.
- 23.3 In the event of a disaster, a contingency plan will be invoked and every effort made to resume a batch service within 48 hours.
- 23.4 Additionally, the Council has procedures and third-party contracts in place to provide for the off-site storage and transport of the cyclic full machine archive dump sets.

24. AREAS WHERE SUBCONTRACTORS WILL BE USED

- 24.1 The Contract will include elements which will involve the sub contracting of certain services, responsibilities or exercises to third parties.
- 24.2 Generally the core activities will always be retained and performed by the Council's Business Rates Section but specific support areas, where it is neither feasible nor practicable to carry out the work in-house due to lack of technology or specialised resources will be sub-contracted. Listed below are the areas of the Service where sub-contractors are or will be involved in providing the Service.

24.2.1 IT Services

It is the Council's Business Rates Section's intention to continue using both the Council's hardware packages and software platform.

24.2.2 Printing and mailing

The printing of documents will be provided by the Council. The Council's Business Rates Section will be responsible for the production of all

documents and reports but for high volume runs such as yearly bills the Council may use outside sub-contractors under its existing arrangements used for Business Rates printing and enveloping.

24.2.3 Enveloping

The Council's Business Rates Section, will, where possible, envelope all documents internally being sent out in respect of the BID. At time to time, it may be necessary for documents to be enveloped by the Council's external mailing company FDML.

24.2.4 Recovery Agents

Those existing bailiff companies already appointed under contract to collect business rates will be used. All bailiffs will be strictly controlled and closely monitored to ensure that they comply with the Council's recovery policy, BID Legislation and the requirements of customer care policy.

24.2.5 Other services

As the provider of the Service is part of the Council, there are a number of mandatory support services that will be used. The Collection and Policy Manager will ensure that these services provide value for money and contribute to the success of the service.

SCHEDULE B

BID Arrangements issued to Stakeholders

BID LEVY RULES

- **The BID term will be 5 years from 1st August 2012 to 31st July 2017;**
- **The BID levy will be applied to rated properties in the BID with a rateable value of £100,000 or more;**
- **The BID levy will be fixed at 1% of rateable value using the 2010 rating list as at 1st April 2012 (rising annually by 3% to reflect inflation);**
- **The liability for the daily BID levy will fall on the eligible ratepayer;**
- **Charitable organisations in receipt of mandatory charitable relief from rates will receive 80% allowance;**
- **The BID levy will not be increased other than those specified in these levy rules;**
- **The eligible ratepayer will be liable for the BID levy for empty properties with no void period. Listed properties will be exempt;**
- **There will be no VAT charged on the BID levy.**

The BID process is governed by Government Legislation and regulations. As such, once a majority vote has been achieved, the BID levy becomes mandatory on all defined ratepayers.

A full version of the rules can be found at www.fitroviapartnership.com

OPERATING AGREEMENT

Through an Operating Agreement with the London Borough of Camden a process will be put in place to monitor the BID finances over the duration of its 5 year tenure. A Monitoring Group will be set up to review the effectiveness of the BID levy process, cash flow and any changes to the businesses occupying space within the BID area.

ACCREDITATION

To demonstrate good practice The Fitzrovia Partnership will seek accreditation from British BIDs, the representative organisation for BIDs within 1 year of commencing operations.

MANAGEMENT COSTS

To ensure the investment made by BID levy payers is targetted towards the action plan, voluntary contributions will be sought from property owners to offset the cost of management. Management costs will be maintained at no more than 15 percent of the overall budget.

FINANCIAL LEVERAGE

Over the life-time of the BID we will seek to deliver an additional \$500,000 per annum through public funding, commercial income and property contributions.

£1 invested by you will generate £1.50p.



SCHEDULE C

Map of geographical area highlighting the areas covered by BID

About Us > Map of BID Area



