

DATED

201__

MAIDSTONE BOROUGH COUNCIL

AND

MAIDSTONE BID LIMITED

**OPERATING AGREEMENT FOR A BUSINESS IMPROVEMENT DISTRICT
IN MAIDSTONE**

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THIS DEED is made the day of 201__

BETWEEN

- (1) **MAIDSTONE BOROUGH COUNCIL** of Maidstone House, King Street, Maidstone, Kent, ME15 6JQ (the "**Council**"); and
- (2) **MAIDSTONE BID LIMITED** (the "**BID Company**") registered as company limited by guarantee in England with number [11166750] whose office is at The Mall Management Suite, Pads Hill, Maidstone, ME15 6AT

RECITALS

- A. The Council is the billing authority for the purposes of the Local Government Act 2003 and is responsible for the imposition, collection, recovery and application of the BID Levy and administering the BID Revenue Account which shall be used towards the operation of the BID within the area in the local authority and the funding of the BID Arrangements
- B. The BID Company is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving the objectives and aspirations set out in the BID Arrangements
- C. Both parties wish to confirm the arrangements by which the BID Levy shall be collected, together with general arrangements as to the relationship to be established between the Council and the BID Company for the duration of the BID.
- D. The purpose of this agreement is to:
- Establish the procedure for setting the BID Levy
 - Confirm the basis upon which the Council or its agents 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 the transfer of the BID Levy
 - Provide for the monitoring and review of the collection of the BID Levy
 - Confirm the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.

IT IS HEREBY AGREED:

1. Definitions

Administrative Expenses means costs incurred by the Council and/or its agents in the imposition, administration, collection and recovery of the BID Levy and all reasonable costs incurred by the Council arising out of compliance with its obligations under this agreement and the Regulations during each year of the duration of this agreement.

the Annual Report means a report to be prepared by the Council or its agent which details the following:

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

Bad or Doubtful Debts for the purposes of this agreement means any unpaid BID Levy in respect of which the Council has sought recovery in accordance with clause 8.3 of this agreement and that BID Levy remains unpaid.

the BID has the meaning given in the Regulations that is the Business Improvement District and is that area within which the BID operates as edged red on the plan attached to this Agreement in Schedule 1.

BID Area means the area within which the BID operates as edged red on the plan attached to this Agreement in Schedule 1

BID Arrangements means those arrangements to be put in place pursuant to the Regulations for the operation of the BID Company

BID Business Plan means the Maidstone BID Business Plan (October 2018 to September 2023)

the BID Company's Report means a report for each Financial Year to be prepared by the BID Company which detail the following:

- (i) The total income and expenditure of the BID Levy;
- (ii) Other income and expenditure of the BID Company not being the BID Levy;
- (iii) A statement of actual and pending deficits; and
- (iv) The various initiatives and scheme upon which the BID Levy has been expended by the BID Company

BID Levy means the charge to be levied and collected within the BID area pursuant to the Regulations

the BID Company's Termination Notice means a notice to be served by the BID Company on the Council pursuant to clause 12.7

BID Levy Payer(s) means the non-domestic rate payers who are liable for paying the BID Levy

BID Levy Rules means the rules set out in the BID Proposals, which defines how the BID Levy will be calculated, details of Exempt or Discounted

Properties and other requirements related to the BID Levy. For the sake of clarity these have been set out in Schedule 3 of this Agreement.

BID Proposals has the same meaning as in the Regulations

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

BID Term means October 2018 to September 2023

BID Financial Year means the period from October to September

the Council's Termination Notice means the notice to be served by the Council on the BID Company pursuant to Clause 12.1

Chargeable Day means any one of the following days

- 1st October 2018
- 1st October 2019
- 1st October 2020
- 1st October 2021
- 1st October 2022

Commencement Date is the date of signing of this Agreement.

Contributors means the BID Levy Payers or other Contributors making voluntary contributions or funds available to the BID Company.

Demand Notice shall have the same meaning given in paragraph 3 of Schedule 4 of the Regulations

District Auditors Costs means the sum charged by an auditor appointed by the Audit Commission or any successor in carrying out an audit of the BID Revenue Account

Enforcement Expenses means the costs which are incurred by the Council in obtaining Liability Orders and Summons and all associated administrative expenses which may be incurred in recovering unpaid BID, including Bailiff charges.

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 visa 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].

the Exceptions means the circumstances in which the Council shall not be required to seek to enforce payment of the BID Levy where a BID Levy Payer

has failed to make payment pursuant to a Demand Notice. The exceptions shall be as agreed by the parties from time to time.

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

Heredity shall have the same meaning as defined in the Regulations

Heredity Start Date means the date when the amendment to the Valuation List takes effect

Liability Order has the meaning given in the Regulations

Maximum Amount For any particular Financial Year means the amount of BID Levy for which Demand Notices are issued (excluding replacement or amended Demand Notices)

Monitoring Group means the group to be set up to monitor the collection and enforcement of the BID Levy (as referred to in Clause 11); the group is to consist of representatives of the Council and the BID Company

NNDR means National Non-Domestic Rates under the Local Government Finance Act 1988

NNDR Payer means the person or organisation who has a liability to pay the non-domestic rate

Proposal means the plan voted for by the BID Levy Payers in a ballot which sets out the objectives of the BID and identifies the various projects which will be undertaken using funds raised by the BID Levy and/or Contributions to achieve those objectives and 'Renewal Proposals' has the same meaning save that 'ballot' shall be replaced with 'renewal ballot' and "Alteration Proposals" has the same meaning save that 'ballot' shall be replaced with 'alteration ballot'

the Levy Payers Meeting means the meeting to be held of all BID Levy Payers pursuant to a Notice issued under clause 12

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

Revaluation The revaluation of the rateable values of all business and non-domestic property in England and Wales which takes place from time to time.

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

Sum(s) Unpaid means the amount of the BID Levy which is unpaid after the Single Instalment Due Date.

Summons means the process issued in the Magistrates' Court upon Complaint by the Council or by the County Court upon application by the Council regarding unpaid BID Levy

Valuation List means a list of all NNDR properties in the local authority area

Valuation Officer means the person appointed by the Commissioners of the Inland Revenue to compile and maintain the Valuation List

Winding Up means an order pursuant to s125 of the Insolvency Act 1986

Write Off means a decision by the Council that an unpaid BID Levy will not be recovered.

Working Day means any day of the week other than a Saturday, a Sunday or a Bank Holiday

Data Processor shall have the same meaning as set out in the Data Protection Act 1998 before May 2018 and the EU General Data Protection Regulation from 25th May, 2018.

Data Protection Legislation the Data Protection Act 1998 before May 2018 and the EU General Data Protection Regulation from 25 May, 2018, [the EU Data Protection Directive 95/46/EC], the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (*SI 2000/2699*), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner.

Personal Data: shall have the same meaning as set out in the Data Protection Act 1998 and subsequently the EU General Data Protection Regulations 2018.

Staff means all (if any) persons employed by the BID to perform its obligations under the agreement together with the BID's servants, agents, suppliers and Sub-Contractors used in the performance of its obligations under the agreement.

2. Statutory Authorities

2.1. This Agreement is made pursuant to Section 2 and Part IV of the Local Government Act 2003 and Section 111 of the Local Government Act 1972 and all other enabling powers.

3. Commencement

3.1. This Agreement shall be effective from the Commencement Date and in any event shall determine and cease to be of any further effect in the event that:

3.1.1. The BID Term expires.

3.1.2. Either party exercises its discretion to terminate the BID Arrangements in exercise of powers under Clause 12.

4. Setting the BID Levy

4.1. As soon as possible after the Commencement of this agreement the Council shall:

(i) calculate the BID Levy in accordance with the Regulations and the BID Levy Rules.

(ii) Confirm in writing to the BID Company the BID Levy payable annually by each BID Levy Payer.

5. The BID Revenue Account

5.1. Pursuant to Clause 47 of the Local Government Act 2003, the Council shall establish a BID Revenue Account by the start of the BID Term.

6. Payments of the Council's Administrative Expenses

6.1. The Council shall invoice the BID Company for the administrative charges (if any) as set out below. This will be done on an annual basis at the start of each BID Year. The invoice shall provide the BID Company with a breakdown of the costs incurred including VAT.

6.2. The annual administrative charges will include the following:

(i) Cost of collection of BID levy based upon circa 470 bills raised annually will be £16,000 per annum, increasing annually by prevailing rate of Consumer Price Index (CPI).

7. Collecting the BID Levy

7.1. The Council shall use all reasonable endeavours to collect the BID Levy on the Chargeable Day and thereafter on an annual basis throughout the BID Term in a manner consistent with its usual

procedures for the collection of non-domestic rates and in accordance with the procedure set out in Schedule 4 of the Regulations.

- 7.2. Pursuant to clause 7.1 the Council shall serve a Demand Notice or Amended Demand Notice on each BID Levy Payer and thereafter shall continue to calculate the BID Levy and serve the Demand Notices throughout the BID Term.
- 7.3. It is the responsibility of the Council to ensure that the BID Levy Rules are applied accurately.
- 7.4. The Council shall maintain a list that identifies payment and/or non-payment of the BID Levy that shall be made available to the BID Company at intervals of not less than once a quarter.
- 7.5. The Council shall liaise with the BID Company in carrying out an annual review of each Hereditament within the BID Area and in the event of any change in the occupier of each Hereditament or the merger or division of a Hereditament (or provision of an additional Hereditament) shall serve an updated list of BID Levy Payers upon the BID Company. Such changes will be reflected in the next annual calculation of the BID Levy and subsequent Demand Notices.
- 7.6. The BID Company shall be responsible for reviewing any appeals received against the payment of the BID Levy and the application of the BID Levy Rules.
- 7.7. Notwithstanding clauses 7.4 and 7.5 information provided to the BID Company pursuant to clauses 7.4 and 7.5 shall not include the provision of any Personal Data other than that which the Council may provide pursuant to the Regulations

8. Procedures available to the Council for enforcing payment of the BID Levy

- 8.1. In the event that the BID Levy is not paid in full within fourteen days from the Chargeable Day, then (subject to the Exceptions or as may otherwise be agreed by the parties) the Council shall, at no cost to the BID Company, serve up to two reminder notices ('Reminder Notices') on the defaulting BID Levy Payer, each of which shall:
 - (i) identify the sum payable;
 - (ii) provide a further 14 (fourteen) days for payment to be made; and
 - (iii) confirm the Council may thereafter make an application to the Magistrates Court for a Liability Order to recover the unpaid sum (together with costs).
- 8.2. In the event that the BID Levy is not paid in full within 14 (fourteen) days of the service of the 2nd Reminder Notice in accordance with clause 8.1, then the Council shall immediately inform the BID Company of such further failure to pay (subject to the Exceptions).

The Council will consider any comments made by the BID Company before deciding whether to make an application to the Magistrates Court for a Liability Order. The Council will normally then make an application to the Magistrates Court for a Liability Order to recover the outstanding sum of the BID Levy as is permitted by the Regulations and by the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989, as amended. The Council will bear the cost of any application for summons and will recover these costs from the revenue generated through any such action.

8.3. In the event that the BID Company requests that the Council does not undertake the full range of recovery action against a defaulting BID Levy Payer (as outlined in 8.1 and 8.2) the Council may write off the outstanding Bad or Doubtful Debt. Should any outstanding Enforcement Expenses remain unrecovered due to a request for the cancellation of recovery action by the BID Company, the Council will recover these costs from the BID Company.

8.4. In the event that, after all recovery action has taken place, any portion of the BID Levy is still unrecovered, the remaining Bad or Doubtful Debt may be written off. Any related Enforcement Expenses which remain unrecovered will be chargeable to the BID Company.

8.5. Where payments become due to the Council pursuant to clause 8.3 and 8.4, the Council must provide an account of the proposed charges to the BID Company. The Council will provide an invoice to the BID Company to request payment of these charges.

9. Refunds on the BID Levy

9.1 Refunds may be payable by the Council on the BID Levy in the event of the over payment of the Levy by a BID Levy payer. Examples of reasons for over payment include:

- (a) Payment of same Levy bill more than once in error
- (b) Where hereditaments within the BID are split or merged prior to the chargeable day, and one or more of the properties are removed from the rating list, but the Levy bill related to these removed properties has already been paid.

9.2. In the event that refunds become due to a Levy Payer on the basis of the reason set out in 9.1 these shall be payable only upon receipt of a written request from the Levy Payer, or their agents.

9.3. The amounts paid out during financial years 1 to 4 will be deducted from the BID Levy Account – and the payments made to the BID Company will be net of these refunds.

9.4. In final year of the BID Term, the Council will retain up to £5,000 from the BID Revenue Account to be held against the possible need to pay

levy refunds after the end of the BID term. This will be released to the BID Company upon completion of a successful renewal ballot.

10. Payment of the BID Levy to the BID Company

- 10.1. The Council shall pay to the BID Company in accordance with the Regulations:
- i. For the first three quarters in each BID Year (1st October, 1st January, 1st April) 25% of the invoiced debt less any repayments to BID Levy Payers under clause 9 of this agreement.
 - ii. On 1st May each year, an interim final payment of further balance collected less any repayments to BID Levy Payers under clause 9 of this agreement.
 - iii. By 30th September each year, a final payment of balance collected less any repayments to BID Levy Payers under clause 9 of this agreement.
 - iv. By the end of the 2nd year of the BID Term, the Council will make known to the BID Company the number of accounts and amount of Levy still in arrears from the 1st year of the BID Term, and will request agreement of the BID Company for write off of all of these aged debts (except where ongoing discretionary payment arrangements are in place). The same procedure will be in place at the end of the 3rd year (in respect of the 2nd year accounts), at the end of the 4th year (in respect of the 3rd year accounts) and so on until the final year of the BID term.
- 10.2. The BID Company shall issue to the Council a VAT invoice for the payment of the BID Levy income upon advice from the Council of the amount due.
- 10.3. The BID Company shall provide the Council with details of its own bank account into which the BID Levy shall be transferred electronically
- 10.4. In the event that a BID Levy Payer is entitled to a repayment of a BID Levy pursuant to paragraph 8(4) of Schedule 4 of the Regulations and in the event that the Council has paid such BID Levy to the BID Company including all of the contingency relating to that BID Levy the Council shall request such repayment sum from the BID Company and the BID Company shall pay the repayment sum to the Council by way of reduction in the quarterly payments, as scheduled in 10.1, and the Council shall thereafter repay the repayment sum to the BID Levy Payer.

- 10.5. The BID Company may only spend the BID Levy in accordance with the BID Proposals; except that if the BID is varied then from the date of the variation takes effect the BID Company may only spend the BID Levy in accordance with the varied BID Proposals.
- 10.6. In the event of an overpayment by the Council to the BID Company, the Council reserves the right to subtract the owed amount from the next scheduled payment of the BID Levy if it has not been refunded prior to that date. In the event that the overpayment falls due after the Council has paid the last quarterly payment within the BID Term, the BID Company shall reimburse the Council forthwith unless the amount is less than £5.00

11. Accounting Procedures and Monitoring

- 11.1. In addition to the information outlined in clauses 7.4 and 7.5, every quarter during the BID Term, the Council shall provide the BID Company with a breakdown of:
- (i) the amount of the BID Levy for each individual BID Levy Payer
 - (ii) the BID Levy collected in relation to each BID Levy Payer
 - (iii) details, together with the outstanding unpaid sum) of those BID Levy Payers who have not paid the BID Levy during the course of that month,

PROVIDED THAT this clause shall not apply to the provision of any Personal Data other than that which the Council may provide pursuant to the Regulations

- 11.2. The BID Company shall request information from the Council that it considers relevant to their business and the Council shall consider disclosure and shall not unreasonably withhold such information.
- 11.3. Upon the expiry of the sixth month of the BID Term and every 6 (six) months thereafter (for the duration of the BID Term) the BID Company shall provide the Council in respect of those 6 (six) month periods with:
- (i) the amount received by the BID Company from Contributors and BID Levy Payers;
 - (ii) the total expenditure of the BID Company.
- 11.4. Within 1 (one) month from the start of the BID Term, the parties shall set up the Monitoring Group.
- 11.5. The Monitoring Group shall meet no less than quarterly in any one BID Year.
- 11.6. At each meeting, the Monitoring Group shall:
- (i) Review the effectiveness of the collection and enforcement of the BID Levy; and

- (ii) review and assess the information provided by the parties regarding the progress being made in achieving the aims set out in the BID Business Plan.

11.7. Within 1 (one) month after the date of the end of the Financial Year, the Council shall provide the Annual Report to the BID Company

11.8. The BID Company shall provide the BID Company Report to the Council within 6 months of the end of each financial year.

11.9. The Council will provide 2 representatives to the Board of the BID Company (one elected Member acting as a Director, and one Officer acting as an Observer).

12. Termination

12.1 Termination of the BID Arrangements, for any reason, shall be in accordance with Regulation 18(5) and the Council will notify the BID Levy Payers in accordance with Regulation 18(6). The Council will advise the BID Levy Payers as to the repayment of any part of the BID Levy in accordance with clause 12.4.

13. Confidentiality

13.1 Subject to Clause 19 below the parties shall agree to keep confidential and not to divulge to any person without the prior written consent of the other party all information (written or oral) concerning the business affairs of the other nor any information which has been exchanged about the BID Levy Payers or Contributors or about any third parties which it shall have obtained or received as a result of operating the BID. This obligation shall survive the termination or lapse of the BID Arrangements.

14. Notices

14.1 Any Notice or other written communication to be served or given to or upon any party to this Agreement or 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

- (i) delivery to the Chief Executive of Maidstone Borough Council at the address specified above
- (ii) delivery to the Directors at the BID Company's address specified above
- (iii) first class post
- (iv) Electronic Communication (provided that it is in legible form and is capable of being used for subsequent reference) to such addresses

which shall require a confirmed read receipt, save that no court proceedings arising from this contract may be served electronically.

- 14.3 Any notice served shall be deemed to have been validly served or given at the time any ordinary business would have received such post.

15. Miscellaneous

- 15.1 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.
- 15.2 The heading appearing in this Agreement are for ease of reference only and shall not affect the construction of this Agreement
- 15.3 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 signed and delivered.
- 15.4 Where reference is made to a clause, part, or recital, such reference (unless the context requires otherwise) is a reference to a clause, part, plan or recital attached to this Agreement
- 15.5 References to the Council include any successors to its functions as a local authority
- 15.6 References to statutes, bye-laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.

16. Exercise of the Council's Powers

- 16.1 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.

17. Contracts (Rights of Third Parties)

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

18. Law and Dispute Resolution

- 18.1. The Agreement is made under and shall be construed by reference to English Law.

- 18.2. Should any dispute arise between the Parties, it shall first be referred to the representative of the Council on the BID Board and to the Directors of the BID and they shall use their best endeavours to resolve the issue by negotiation.
- 18.3. If they are unable to resolve the dispute within 28 days of the referral, then the Parties shall appoint a Mediator. If the Parties cannot agree on the identity of a Mediator, then they shall apply to the Centre for Effective Dispute Resolution (“CEDR”) to make such an appointment.
- 18.4. Within 14 days of the appointment of a Mediator, the Parties representatives shall meet together with the Mediator to agree a programme for the conduct of the mediation, including (but not limited to) a timetable, exchange of documents and the structure for meetings as well as the costs of the mediation.
- 18.5. All proceedings of the mediation shall be held in strict confidence and shall be Without Prejudice to any future proceedings that may become necessary.
- 18.6. Nothing in this mediation procedure shall prevent either Party from seeking from a Court of competent jurisdiction an interim order to the other Party either preventing or compelling the commission of some act.
- 18.7. If the Parties reach an agreed resolution of the dispute in the mediation, that agreement shall be reduced to writing, signed by representatives of both Parties and shall be binding on both Parties.
- 18.8. If the mediation fails to achieve an agreed resolution, then the Parties hereby irrevocably agree that the dispute shall be referred to the English Courts.
- 18.9. The performance of all services shall continue during the mediation process

19. Freedom of Information

- 19.1 The BID Company acknowledges that the Council is subject to the requirements of the Freedom of Information Act 2000 (FOIA) and shall assist and cooperate with the Council (at the BID Company’s expense) to enable the Council to comply with its disclosure requirements and the Council shall notify the BID Company of any such requests.

21 BID Baseline Agreement

- 21.1 The Council agrees, as far as budgets allow, to carry out the services contained in the BID Baseline Agreement, set out in Schedule 2.

Signed and delivered on the day and year first before written

MAIDSTONE BOROUGH COUNCIL:

.....

In the presence of

NAME

TITLE

Signed by MAIDSTONE BID Limited:

.....

In the presence of

NAME

Director

DRAFT

SCHEDULE 1: MAP OF BID AREA



SCHEDULE 2: BASELINE AGREEMENT

The Council delivers the following services within the BID area and the BID intends to provide additional services to these.

The Council will endeavour to continue to deliver the following services within the BID area. Where any of the listed services are planned to be reduced or discontinued, the Council agrees not to reduce provision of its services disproportionately, compared to any changes made elsewhere within the Borough for the duration of the BID term.

Cleansing

Maidstone Borough Council has a commitment to ensure that Maidstone Town Centre is kept clean to a 'Grade A' standard as per the DEFRA Code of Practice. This includes daily cleansing in the morning and operatives working during the day to early evening. Chewing gum is removed on an adhoc basis.

Community Safety

MBC have a duty under the Crime and Disorder Act 1998 (as amended) to do all that we reasonably can to reduce crime and disorder in the borough, that same duty is placed on all of the responsible authorities by the Act including KCC, the Police and others. As one of the authorities making up the Safer Maidstone Partnership we undertake a Strategic Assessment each year to review crime data and other information to determine the issues that the partnership needs to tackle, I've attached the most recent version of our Community Safety Plan that gives that information.

SCHEDULE 3: BID LEVY RULES

Maidstone Town Centre BID Rules

In developing the rules that will apply to the BID, consideration has been given to 'The Industry Criteria for BIDs' (2018) published on behalf of levy payers by British BIDs.

The Ballot

1. Maidstone Borough Council will send those responsible for properties or hereditaments to be subject to the BID a ballot paper on or around 11th June 2018.
2. Each property or hereditament subject to the BID will be entitled to one vote in respect of the BID Proposal in a 28-day postal ballot, which will commence on 15th June 2018, and close at 5pm on 12th July 2018. Ballot papers received after 5pm on 12th July 2018 will not be counted. The declaration of the ballot result is due to be announced on the following day.
3. In order for the proposal to be successful at ballot the result will need to meet, as a minimum, two independent criteria which are: (a) of those ballots returned by the close, those voting in favour of the renewal proposal must exceed those voting against it, and (b) of those ballot papers returned by the close, the total rateable value of those properties or hereditaments which vote in favour, must exceed the total of those voting against.
4. If successful at ballot, the BID will commence delivery of services on 1st October 2018 and will continue for a period of 5 years to 30th September 2023.

The Levy

1. The levy rate to be paid by each property or hereditament is to be calculated as 1.5% of its rateable value as at the 'chargeable day' (1st October each year).
2. Only properties or hereditaments with a rateable value of £15,000 or more will pay a levy.
3. The number of properties or hereditaments liable for the levy is approximately 475.
4. Each year (with the exception of the first year) the levy rate will be inflated by the prevailing Consumer Price Index as at 30th June prior in that year. For the purposes of budgeting, a rate of 3% per annum (rounded) has been assumed throughout the term.
5. The levy will be charged annually in advance for each chargeable period to be October to September each year, starting in 2018. No refunds will be made.
6. The maximum amount payable for any one hereditament is to be capped at £10,000 (rising by the same annual rate of inflation, as above).
7. The ratepayer for any untenanted properties or hereditaments will be liable for payment of the levy, meaning the landlord (or their representative) in most instances.
8. Occupiers within The Mall, Fremlin's Walk and Royal Star Arcade shopping centres that are subject to a service charge will pay a levy of 1% of their rateable value.

9. Charitable organisations that are subject to relief on their business rates liability may apply to the BID for a refund of a proportion of their levy. Any such request will be considered by the BID Board on merit.
10. Maidstone Borough Council will be responsible for collection of the levy. The collection charge will be £16,000; this equates to £35 per hereditament and 3.5% of average anticipated billed levy.

Accountability and Transparency

1. The BID Proposer is One Maidstone, the established town centre management company. The BID will be operated by a new Company established for the specific purpose and called Maidstone BID Limited (Company Number 11166750) a not for profit organisation, limited by guarantee.
2. The Directors of the BID (the 'Board'), nominated in the first year, shall be primarily made up of representatives of levy-paying businesses and, where necessary, will include non-levy-paying representatives where additional expertise is required. The Board will have responsibility for governance matters such as financial arrangements, contractual obligations, human resources, standards, performance and compliance.
3. Maidstone Borough Council and Kent County Council shall maintain representation on the BID Board, as agreed.
4. The Board shall meet no less than quarterly and shall appoint a Chair annually.
5. The Board shall form such sub-groups that from time to time become necessary.
6. 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, such that they impact negatively upon any levy payer, would require a formal Alteration Ballot.
7. The Company shall meet with the Council, as the Billing Authority, quarterly to monitor service delivery, levy collection and financial management issues.
8. Levy paying businesses may become Members of the BID Company.
9. The BID will file annual accounts with Companies House. The accounts will be available to all levy payers. An annual report on activities, including finances, will be published. An Annual Meeting for Members and levy payers will be held.
10. An Operating Agreement, which includes the Council's Baseline service commitments, has been agreed with Maidstone Borough Council. A copy can be found at www.onemaidstone.co.uk.
11. Notification of the intention to hold a ballot was sent to the Secretary of State on 5th January 2018.

Finances

1. A cautious approach has been adopted to budgeting for the BID term.
2. A levy collection rate of 95% has been assumed.
3. The average annual levy available to be spent by the BID for the term is £433,930.
4. Annual surpluses act as a contingency provision on expenditure, and together with the availability of reserves, provide for an anticipated surplus of £34,533 by the end of the term. This equates to 7% of average annual expenditure.
5. Included within the budget is additional income, primarily evidenced by the historic performance of One Maidstone and MaidSafe; this is equivalent to 10% of the estimated levy to be collected.
6. Operating costs of the BID are estimated as 20% of total expenditure.
7. The costs relating to the development of the new BID were loaned by Maidstone Borough Council and will be repaid with no interest over the term (total repayment £60,000, paid in instalments of £12,000 per annum), plus software costs.

MAIDSTONE BID BUDGET	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
<u>INCOME</u>						TOTAL
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BID Levy	£409,246	£421,223	£433,560	£446,266	£459,354	£2,169,649
Additional Income	£30,000	£40,825	£46,673	£52,544	£53,439	£223,481
Total Income	£439,246	£462,048	£480,233	£498,810	£512,793	£2,393,130
<u>EXPENDITURE</u>						TOTAL
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Operational costs	£90,000	£92,700	£95,481	£98,345	£101,296	£477,822
Manage	£225,000	£225,000	£200,000	£175,000	£150,000	£975,000
Promote	£100,000	£125,000	£125,000	£150,000	£150,000	£650,000
Discover	£-	£-	£-	£75,000	£100,000	£175,000
Set-up and software costs	£19,275	£15,375	£15,375	£15,375	£15,375	£80,775
Total Expenditure	£434,275	£458,075	£435,856	£513,720	£516,671	£2,358,597
Annual Surplus	£4,971	£3,973	£44,377	-£14,910	-£3,877	£34,533