

APPENDIX 3

FINANCIAL MANAGEMENT ARRANGEMENTS

INCLUDING:

- 1) Draft Operating Agreement between the BID and the Council; this outlines how the BID Levy will be administrated. It has been reviewed by the BID Steering Group and the Council (including Finance, Business Rates and Legal Services) and is substantially complete, subject to agreement on finer details of dates etc. and will be reviewed again and signed once a BID Board is in place following a successful ballot. It includes as schedules:
 - Schedule 1 – BID Levy Rules / Arrangements
 - Schedule 2 – Baseline Agreement (not included here)
 - Schedule 3 – Estimated administration costs of administering the BID Levy
- 2) A paper regarding the BID's proposed internal Financial Management & Governance Arrangements

APPENDIX 3 – 1. DRAFT OPERATING AGREEMENT

**DRAFT OPERATING AGREEMENT RELATING TO THE WOOD GREEN
BUSINESS IMPROVEMENT DISTRICT**

Dated

The Mayor and Burgesses of the London Borough of Haringey
(the Council)

Wood Green Business Improvement District Ltd
(the BID Company)

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Operating Agreement Relating to the Wood Green Business Improvement District

Dated XXXX

Between

- (1) **The Mayor and Burgesses of the London Borough of Haringey** whose principal office is at Civic Centre, High Road, Wood Green N22 8LE (the "Council")
- (2) **Wood Green Business Improvement District Ltd**, registered company number xxxx, of [address] (the "BID Company")

Recitals

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

IT IS AGREED:

1 Definitions

the Administrative Expenses means costs incurred by the Council and/or its agents in the administration, collection and recovery of the BID Levy as set out in Schedule 3

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

- (i) the total amount of BID Levy collected during the relevant Financial Year;
- (ii) details of the success rate 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; and
- (iv) details of those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy;
- (v) the Council's proposals for bad or doubtful debts

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

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

the Baseline Agreement means an agreement, substantially in the form of the draft Agreement annexed at pursuant to Clause 4.1(iii) Schedule 2, to be finalised and entered into by the parties

the BID means the Business Improvement District, within the meaning given in the BID Legislation, which is managed and operated by the BID Company and which operates within and is covered by those streets set out in Schedule 1

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

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

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

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

the BID Legislation means the LGA 2003 and the Regulations

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

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

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

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

the BID Term means the period of 5 years from 1st July 2018 to 30th June 2023

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

the Contributors means the BID Levy Payers or other contributors making Voluntary Contributions to the BID Company.

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

Heredity shall have the same meaning as defined in the Regulations

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

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in electronic form

Enforcement Notice means a notice to be served on the Council as specified in Clause 9.1

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.

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

the Financial Year means the financial year for the BID Company which runs from [1st April to 31st March] in the following year

the First Priority Expenses means the administrative expenses incurred by the Council in respect of all reasonable costs arising out of compliance with its obligations under this Agreement and the Regulations during each year of the duration of this Agreement

the LGA 2003 means those parts of the Local Government Act 2003 applicable to BIDs, including in particular Part 4, as amended from time to time

Liability Order means an order obtained from the Magistrates Court

the Monitoring Group means the group to be set up to monitor the collection and enforcement of the BID Levy (as referred to in Clause 10), such group to consist of one Council officer from Haringey Council and one representative from the BID Company

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

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

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

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

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

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

Voluntary Contribution(s) means any contributions or funds paid or made available to the BID Company which do not form part of the BID Levy

a Working Day means any day of the week other than a Saturday, a Sunday or a bank holiday

2 Statutory Authorities

- 2.1 This Agreement is made pursuant to Part IV of the Local Government Act 2003, section 2 of the Local Government Act 2000 and Section 111 of the Local Government Act 1972 and all other enabling powers including those set out in the Regulations

3 Commencement

- 3.1 This Agreement shall be effective from [insert here the first date mentioned in 4.1 once agreed]
- 3.2 If, at the end of the BID Term a renewal ballot is held and is successful then the terms of this Agreement shall be reviewed and agreed between the Council and the BID Company prior to the start of the new BID term.

4 Setting the BID Levy

- 4.1 By [date approximately two weeks before first day of the BID term] for a [date] BID start date the Council shall:-
- (i) calculate the BID Levy due from each BID Levy Payer in accordance with the BID Levy Rules; and
 - (ii) confirm in writing to the BID Company the BID Levy payable annually by each BID Levy Payer; and
 - (iii) enter into the Baseline Agreement with the BID Company

5 Interest on the BID Revenue Account

- 5.1 No interest will be paid by the Council to the BID Company on money in the BID Revenue Account and no interest will be paid by the BID Company to the Council on any overpayment made to the BID Company by the Council

6 Debits from the BID Revenue Account and Payments

- 6.1 On the [14th day of April in each Financial Year of the BID Term (or on the 14th day of July in the first year of the BID Term)] and [monthly] thereafter for the remainder of the Financial Year (or where such day is not a Working Day the nearest Working Day thereto) the Council shall provide a statement to the BID Company of credits to the BID Revenue Account excluding any such credits included in a previous statement. The Council may, where it becomes aware that any credit or credits included in a statement issued in accordance with this clause 6.1 relates to one or more BID Levy payments that have not cleared, issue the BID Company with a revised statement or include the uncleared amount as a debit in a subsequent statement.
- 6.2 The BID Company shall within [14] Working Days of receipt of a statement provided under clause 6.1, send to the Council at the address notified for such purposes an invoice in an amount equal to the amount of credits in the statement, taking into account as applicable any revisions issued by the Council in accordance with clause 6.1, adding where applicable VAT at the prevailing rate and showing such VAT on a separate line.

6.3 The Council shall invoice the BID Company separately, adding where applicable VAT at the prevailing rate and showing such VAT on a separate line, for the following amounts:-

6.3.1 in the first year of the BID Term, the full amount of the Administrative Expenses; or

6.3.2 in each subsequent year of the BID Term, the amount of the Administrative Expenses comprising recurrent annual expenses

and the invoice in respect of the Administrative Expenses shall be submitted to the BID Company at the mid-point of each year of the BID Term.

6.4 All valid, undisputed VAT invoices delivered in accordance with the preceding provisions of this clause 6 shall be paid by the receiving party within 28 days of receipt.

6.5 Provided delivery is previously agreed by the parties, any services delivered to the BID Company by the Council in addition to the Standard Services delivered under the Baseline Agreement shall be the subject of a separate VAT invoice which shall be paid by the BID Company within 28 days of the date of the invoice.

6.6 The Council shall notify the BID Company when it considers that any BID Levy Payer is due a refund of the BID Levy or any part identifying the BID Levy Payer, the reason for the refund and stating the amount of refund that it considers due and the BID Company shall refund any such amount promptly and in any case within any statutory timescales and the BID Company shall indemnify the Council against all actions, claims, demands, proceedings, damages, losses, charges, and expenses whatsoever arising from any failure by the BID Company to comply with this clause 6.6.

6.7 The Council may in each year of the BID Term subsequent to the first reasonably increase the amount of the Administrative Expenses it recovers under clause 6.3 to reflect any increase in the Council's costs in or in connection with:

6.7.1 the collection of the BID Levy;

6.7.2 any change in the Regulations which materially impact the Council's cost of compliance with such amended Regulations; and/or

6.7.3 the administration of the BID Revenue Account

and it shall submit to the BID Company the details of and reasoning for any proposed increase no less than two months before the start of the Financial Year in which the increase will apply.

- 6.8 If the BID Company objects to such increase it shall inform the Council in writing within 28 days of its receipt of the Council's proposals and the parties shall meet and at such meeting the BID Company may raise such reasonable objections it has to the increase for the Council's consideration and the parties shall use their reasonable endeavours to reach agreement on the amount of any increase to the Administrative Expenses and where agreement is reached the increased amount agreed shall be the Administrative Expenses for the relevant Financial Year and where no agreement can be reached the matter shall be dealt with in accordance with clause 17 (Dispute Resolution).
- 6.9 If the BID Company does not object to an increase in the Administrative Expenses proposed by the Council or does not do so within the timescales set out in clause 6.8 the amount proposed by the Council shall be the Administrative Expenses for the relevant Financial Year.

7 Collecting the BID Levy

- 7.1 The Council shall at the beginning of each Financial Year, confirm in writing to the BID Company:-
- (i) the means by which BID Levy Payers shall be billed for the BID Levy; and
 - (ii) the date when the BID Levy shall be due and payable by the BID Levy Payers (such date to be on or after the Operational Date and before [date to be agreed roughly 1 week after the operational date])
- 7.2 Pursuant to clause 7.1(ii) the Council shall serve Demand Notices on each BID Levy Payer and thereafter shall continue to calculate the BID Levy and serve Demand Notices throughout the BID Term
- 7.3 The Council shall maintain a list which identifies payment and/or non-payment of the BID Levy and shall make such information available to the BID Company, at intervals of not less than once a month if so requested.
- 7.4 The Council shall liaise with the BID Company in carrying out monthly reviews of each Hereditament within the BID Area and in the event of any change in the occupier of each Hereditament or the merger or division of a Hereditament (or creation of an additional Hereditament) shall:
- (a) serve an updated list of BID Levy Payers upon the BID Company;
 - (b) serve a Demand Notice (or alter any existing Demand Notice if appropriate) on the relevant BID Levy Payer

7.5 The Council shall use all reasonable endeavours to collect the BID Levy on the date specified (pursuant to clause 7.1(ii) above) and thereafter on an annual basis and in accordance with the procedure set out in Schedule 4 of the Regulations

7.6 The Council shall use all reasonable endeavours to collect the BID Levy which are consistent with its usual procedures for the collection of non-domestic rates

7.7 *[Not used]*

7.8 In the event of an overpayment by the Council to the BID Company, the BID Company will return the overpayment to the Council within 14 days of being notified.

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 by a BID Levy Payer in whole within 28 days from the [the due date] of each year then (subject to the Exceptions or as may otherwise be agreed between the parties) the Council shall serve a Reminder Notice on such defaulting BID Levy Payer which shall:-

- (i) identify the sum payable;
- (ii) provide a further 14 (fourteen) days for payment to be made;
- (iii) confirm that, after the further period allowed for payment under clause 8.1(ii), the Council will make an application to the Magistrates' Court for a Liability Order to recover the sum still remaining unpaid (together with costs)

- 8.2 In the event that the BID Levy is not paid in whole within fourteen days of the service of the 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 may then make an application to the Magistrates' Court for a Liability Order to recover the outstanding sum of the BID Levy as permitted by the Regulations and the Non-Domestic Rating (Collection & Enforcement)(Local Lists) Regulations 1989 (as amended). The Council will bear the cost of any application for a summons and will recover these costs from the revenue recovered through any such court actions.

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

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

- (i) it issues a Reminder Notice; or
- (ii) makes an application for a Liability Order

unless enforcement action at each stage cannot reasonably be progressed due to one of the following:

- ratepayer absconded
- insolvency proceedings
- debt is too low to make application for a Liability Order (under £100)
- liability disputed
- unable to establish liability
- future payment arrangement in place
- client / BID team instruction
- property pending VOA re-assessment
- legal challenge pending against the actual BID
- Magistrate refuses to issue a Liability Order for any reason

or the Council and the BID Company reasonably consider that enforcement action would otherwise be undesirable.

9.2 If after being served an Enforcement Notice the Council fails to take the requested action within 28 days then the BID Company shall serve an Appeal Notice to the Chief Executive of the Council. Such notice shall:-

- (i) detail the sum which remains unpaid;
- (ii) confirm that the Council has failed to use the enforcement mechanisms available to it under this Agreement to recover the sum; and
- (iii) request a meeting take place between the Chief Executive and 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

9.3 In the event that the Council fails to take any of the steps requested by the BID Company pursuant to clauses 9.1 and 9.2 (above) the Council shall (within 28 days of receipt of written notice from the BID Company which specifies the amount of BID Levy outstanding) pay the specified sum into the BID Revenue Account and provide written confirmation to the BID Company that this has been done. Where the Council has taken the steps listed in clauses 9.1 and 9.2 or the Exceptions apply, and the debt remains unpaid or is subsequently written off, the Council will not be required to pay any sum in respect of such debt into the BID Revenue Account.

10 Accounting Procedures and Monitoring

10.1 Within 1 (one) month from the Operational Date the Council and BID Company shall form the Monitoring Group

10.2 In addition to the information outlined in clause 7.4 of this Agreement, every month during the BID Term the Council shall provide the BID Company with a breakdown of:-

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

10.3 The Monitoring Group shall meet no less than once in each Financial Year and on all other occasions as may reasonably be required further meetings of the Monitoring Group shall be arranged by the service of written notice by either party on the other, such notice to be provided no less than 28 days prior to the date of the proposed meeting (or after such lesser period as may otherwise be agreed or in cases of emergency) provided that such meetings can be dispensed with altogether upon the written agreement of both the Council and the BID Company

10.4 At each meeting the Monitoring Group shall:

10.4.1.1.1 review the effectiveness of the collection and enforcement of the BID Levy; and

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

10.5 Within 1 month after the end of the Financial Year the Council shall provide the Annual Report to the BID Company

10.6 The BID Company shall provide the BID Company Report to the Council two weeks prior to their Annual General Meeting (which shall normally take place in [month]).

11 Termination

11.1 The Council shall not be permitted to terminate the BID Arrangements because:

- (i) in its opinion there are insufficient finances available to the BID Company to meet its liabilities for the chargeable period for the purposes of the BID Arrangements; or
- (ii) the Council is unable, due to any cause beyond its control, to provide the works or services which are secured as part of the BID Arrangements

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

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

- (a) the Council's concerns that the BID Company has insufficient finances to meet its liabilities for that period, in which case details of such concerns should be made available to the BID Company;
- (b) insufficient funds;

- (c) alternative means by which the insufficiency of the funds can be remedied; and
- (d) an appropriate time frame to resolve this issue

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

11.3.1 the services or works which the Council is no longer able to provide together with confirmation and details as to why such works or services cannot be provided;

11.3.2 a review by both parties as to whether such works or services are of material importance to the BID so that termination of the BID Arrangements is the only option;

11.3.3 alternative means of procuring the said services or works by third parties or increased financial funding from the BID Company;

11.3.4 alternative replacement services or works which will be acceptable to the BID Company;

11.3.5 an appropriate time frame to resolve this issue

11.4 In the event that the parties cannot reach agreement in relation to the matters set out in clauses 11.2 or 11.3 above the Council shall cause a Public Meeting to be held and subject to consideration of representations made by any BID Levy Payer at the Public Meeting the Council shall be permitted to terminate the BID Arrangements provided that notice by the Council to terminate the BID shall be provided to the BID Company no less than 28 days prior to termination taking place

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

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

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

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

11.6 Upon termination of the BID the Council shall notify the BID Levy Payers of such termination together with confirmation as to whether any part of the BID Levy is to be repaid to BID Levy Payers, all in accordance with clause 18(6) of the Regulations.

11.7 The BID Company shall not be permitted to terminate the BID Arrangements where:

11.7.1.1 the works or services under the BID Arrangements are no longer required; or

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

unless and until it has served the BID Company's Termination Notice on the Council and thereafter carried out a proper consultation with all relevant representatives of the BID Area as considered appropriate by the Council.

11.8 Upon termination of the BID Arrangements the BID Company shall notify the Council of such termination in accordance with clause 18(5) of the Regulations and the Council shall notify the BID Levy Payers together with confirmation as to whether any part of the BID Levy is to be repaid to BID Levy payers, all in accordance with clause 18(6) of the Regulations.

12 Confidentiality

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

13 Notices

13.1 Any notice required to be given under or in connection to this Agreement shall be in writing, signed by or on behalf of the party giving it and shall be served by delivering it personally, or by sending it by pre-paid first-class post to the address provided for above or such substitute address in England as may from time to time have been notified by the relevant party.

13.2 A notice shall be deemed to have been received:

13.2.1 if delivered personally, at the time of delivery; and

13.2.2 in the case of pre-paid first-class post, 2 Working Days from the date of posting.

14 Miscellaneous

14.1 For the avoidance of doubt where any part of this Agreement is incompatible with the Regulations or any other regulations which the Secretary of State may issue pursuant to Part IV of the Local Government Act 2003 then such part shall be struck out and the balance of this Agreement shall remain

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

14.3 For the avoidance of doubt the provisions of this Agreement (other than those contained in this Clause) shall not have any effect until this document has been dated

14.4 Where reference is made to a Clause, Part, Plan or Recital such reference (unless the context requires otherwise) is a reference to a clause, part, plan, or recital within or attached to this Agreement

14.5 References to the Council include any successors to its functions as local authority for the BID Area

14.6 References to statutes, bye laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power

15 Exercise of the Council's powers

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

16 Contracts (Rights Of Third Parties)

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

17 Dispute Resolution

17.1 The parties shall attempt, in good faith, to resolve any dispute arising out of or in connection with this Agreement promptly by negotiation which shall be conducted as follows:

17.1.1 the dispute shall be referred, by either party, first to the Council's [Service Lead for Employment, Skills, and Business Engagement] and the BID Company's BID Manager for resolution; and

17.1.2 if the dispute cannot be resolved by agreement under clause 17.1.1 within 10 Working Days of the dispute having been referred the parties may either:

17.1.2.1 agree to refer the dispute to an independent person to be appointed by agreement between the parties and any charge made and expenses reasonably incurred by that independent person shall be paid by the parties

in equal shares, unless the independent person determines that a greater share should be borne by one of the parties; or

17.1.2.2 agree to refer the matter to an adjudicator who shall determine which party should pay any charge made and expenses reasonably incurred by the arbitrator.

17.2 Without prejudice to their rights and remedies under this Agreement, the parties shall continue to perform their respective obligations under this Agreement notwithstanding any dispute or the implementation of the procedures set out in this clause 17.

18 Freedom of Information

18.1 The BID Company accepts that the Council is obliged to comply with the Freedom of Information Act 2000 ("the Act") and the Code of Practice on the Act, and will assist the Council to comply with these obligations. This includes helping the Council comply with its obligation to respond to a request for information within 20 days of receipt; and providing information to the Council where the Council requests.

18.2 The Council is entitled to disclose information unless it believes that the information is exempt under the Act. Exemption may apply where, for example, information is provided in confidence (including that would normally have to be treated as confidential under clause 12 of this Agreement); where the information is a trade secret; or where release is likely to prejudice commercial interests. The Council will decide, acting reasonably, whether information requested under the Act is to be disclosed or not. The Council will where reasonably practicable consult the BID Company and will consider any representations made by it. The Council shall not be liable for any loss or other detriment caused by the disclosure of any information in response to a request for information under the Act

19 Jurisdiction

The Agreement shall be governed and construed in accordance with the law of England and Wales and the parties hereto submit to the exclusive jurisdiction of the courts of England and Wales in respect of any dispute or conflict arising from this Agreement.

Signed by the parties or their duly authorised representatives

Signed by

duly authorised for and on behalf of

**THE MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF HARINGEY** by:

Authorised Signatory

Signed by

duly authorised for and on behalf of

WOOD GREEN BID LTD by::

Authorised Signatory

Draft Schedule 1 – The BID Levy Rules (based on the BID Proposal)

This section sets out the technical and budgetary information relating to how the Wood Green Business Improvement District (BID) will operate.

Definitions

Definitions in these arrangements are as per The Business Improvement Districts (England) Regulations 2004, the Local Government Act 2003 and Local Government Finance Act 1988 unless expressly defined in this document.

Who is proposing this initiative?

The BID proposer is the Wood Green BID Steering Group. The BID body will be Wood Green Business Improvement District (BID) Ltd (“the BID Company”). It will be incorporated as a company limited by guarantee in the event of a positive ballot result in March 2017.

How will the BID be run?

The BID will be run by the Wood Green BID Company.

An interim board will run the BID until its first AGM, at which point elections to the Board will be held and all Members of the BID Company will be eligible to run for election. The Board will aim to be representative of the sectors and geographical areas present within the BID Area and consist of at least:

- 4 directors from Large BID Members (≥50 local employees), and
- 4 directors from Small BID Members (<50 local employees)

In addition, the Board may include:

- Up to a maximum of 2 directors drawn from businesses who have joined the BID's voluntary membership scheme
- Up to 1 director from a landowner with holdings in the BID Area
- Up to 1 director drawn from the Council
- Up to 2 directors drawn from statutory authorities or other strategic agencies with an interest in the area, and
- Other directors as the board sees fit from time to time,

so long as levy-paying Member businesses maintain a majority of voting rights on the board

The following persons may also attend meetings of the directors as observers:

- The Chief Executive Officer of the BID, and
- such other persons as are approved from time to time by the Board.

It is expected that the BID's activities will be delivered by a staff team and steered by groups of businesses under three main “Themes”. These groups will be known as Theme Groups: Experience Wood Green, Imagine Wood Green, Strong Wood Green. These theme groups will focus on particular areas of the BID's activities and take responsibility for developing detailed project budgets for that theme in conjunction with the Board and the BID staff members. All BID members and Voluntary Members may be represented on these theme groups. Additional theme groups will be set up as and when required.

How can I get involved in the running of the BID?

In the event of a successful BID ballot, all BID levy payers will be invited to become a Member of the Company. Company Members may subsequently nominate themselves for directorships or to sit on one of the BID's Theme Groups.

The Board will manage the Executive Team, which will deliver the projects and services as set out in the BID Proposal.

How long will the BID last?

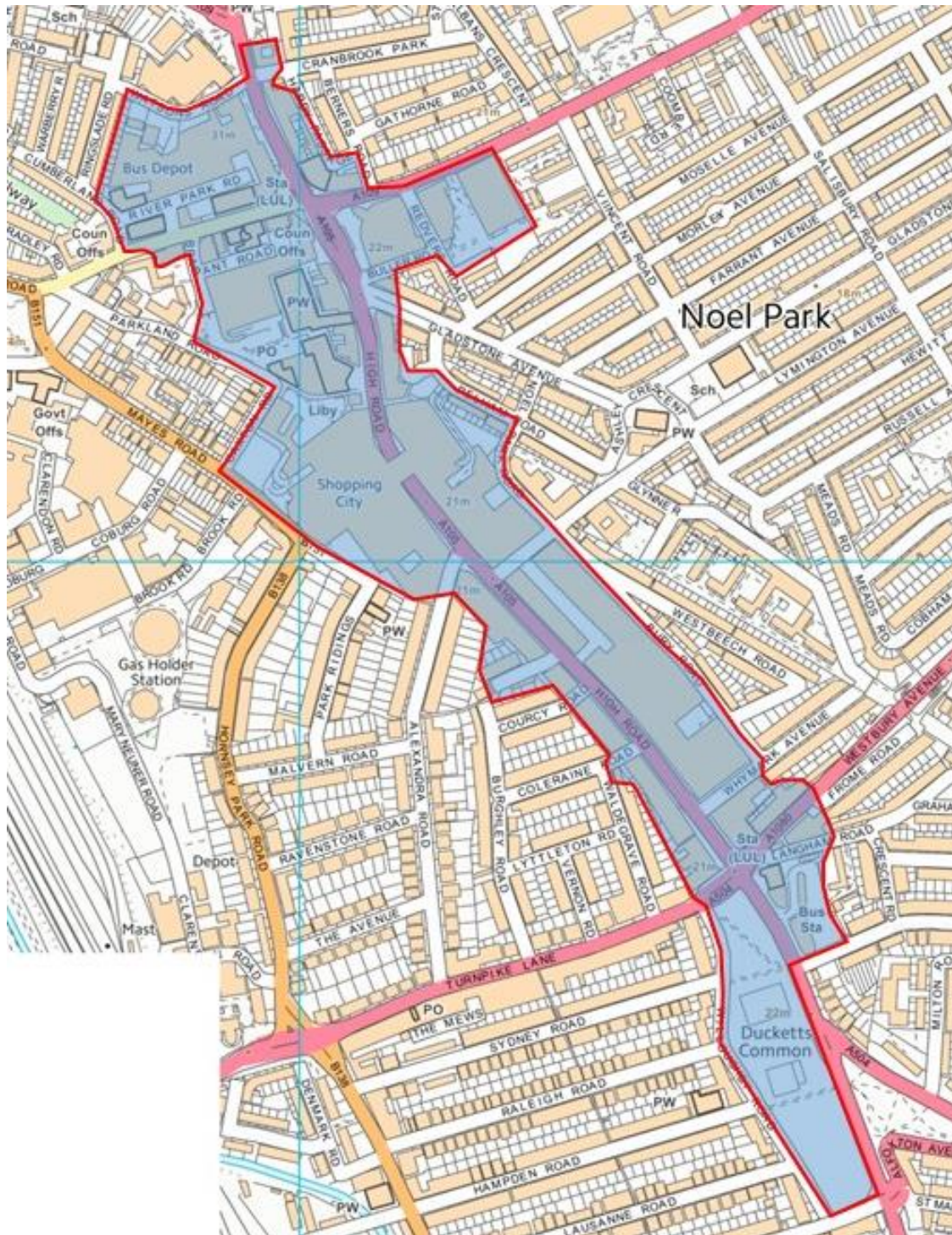
The BID Term will be five years in duration from 1st July 2018 to 30th June 2023. Before the end of this period, the BID Board may choose to seek renewal of the BID for a further term, through a renewal ballot.

What area is covered by the proposal?

The BID Area covers the following streets, either in whole or in part:

Alexandra Road (Western side, from High Road to Martins Walk; Easter side, 108)	High Road (Even, 2 – 240; Odd, 1 – 239)
Brabant Road (Eastern side)	Langham Road (258 – 278)
Brampton Park Road	Lordship Lane (Even, 734 – 748; Odd, 707 upwards)
Buller Road	Lymington Avenue (from jct with High Road to jct with Bury Road/Noel Park Road)
Bury Road (Southwestern side)	Mayes Road (Northern side, from jct with Caxton Road to Park Ridings)
Caxton Road (Eastern side)	Noel Park Road (Western side, from jct with Lymington Avenue to jct with Pelham Road)
Coleraine Road (jct with High Road to jct with Waldegrave Road)	Pelham Road (Southwestern side, from jct with Noel Park Road to jct with Gladstone Mews)
Courcy Road (jct with High Road to Lilac Mews and Wallis Mews)	Redvers Road (from jct with Lordship Lane to jct with Buller Road)
Dovecote Avenue	River Park Road
Ducketts Common	Station Road (Even, 0 – 48; Odd, 1 – 37)
Gladstone Avenue (1-6)	Turnpike Lane (Wellington Terrace)
Gladstone Mews	Westbury Avenue (Odd, 1 – 33; Even, 2-8 inc. Westbury Arcade)
Green Lanes (Jct with High Road to Jct with Carlingford Road, inc. 679)	Whymark Avenue (Whymark House & York House; Northern side jct with High Road to jct with Bury Road)

The area covered by the BID proposal comprises parts of Wood Green as shown in the map below.



Shouldn't the Council be paying for this through my business rates?

A BID generates revenue that is ring-fenced for the area in which it is collected, to be spent on projects for the benefit of businesses that pay the BID Levy. All services provided by the BID will be additional to those provided by The Council. Additionality is ensured through the production of a 'Baseline Agreement' which sets out the standard level of statutory service that is already provided by the Council for the BID Area. This ensures that the BID Levy only funds services and projects over and above this level.

How will the ballot work?

The ballot will be managed by the London Borough of Haringey and will run between January and Thursday 1st March 2018. The ballot will close at 5pm on Thursday 1st March 2017. The ballot will be a secret postal ballot of the eligible hereditaments on the National Non-Domestic Ratings List at the time of the Notice of Ballot being issued. Where the occupiers of individual hereditaments have nominated in writing the name of the person who should vote on their behalf, the notice of ballot and ballot papers will be sent to them.

Who is eligible to vote and to pay the levy? Are there any exemptions?

The following will not be eligible for the BID Levy, or for the vote:

- Business units with a rateable value of £12,000 or less
- 'Central List' properties that are not contained in the local rating list.
- Advertising rights, telephone/communication masts and ATMs, public bus stops and public toilets
- Residential estate offices
- Schools (not including further or higher educational establishments)

All other types of business are eligible to vote in the BID Ballot and to pay the BID Levy. Businesses with a rateable value of £12,000 or less are encouraged to voluntarily contribute and join the BID through Voluntary Membership. Businesses making this voluntary contribution will be invited to become Members of the Company.

If, as a result of a re-valuation, a business' rateable value shall be £12,001 or more at any time during the BID Term, they will become eligible for the levy.

Where hereditaments are unoccupied at the time of the notice of ballot, the owner will be entitled to vote in the BID ballot. The BID Levy Payer in cases of unoccupied hereditaments will be the owner of the whole of the hereditament. The term 'owner' is defined in section 65 (1) of the Local Government Finance Act 1988.

Where a hereditament is occupied by a Registered Charity and is in receipt of Mandatory Rate relief (as prescribed by section 43 and 45 of the Local Government Finance Act 1988 (LGFA88)), that hereditament shall receive 80% relief from the rate it would otherwise be eligible to pay.

Can I get involved in the BID even if I am under the threshold?

Occupiers of hereditaments within the BID Boundary with rateable values of £12,000 or less are encouraged to voluntarily contribute and join the BID through Voluntary Membership. This Voluntary Membership will also be available at the discretion of the BID Company to businesses with properties outside of the BID Boundary making a voluntary contribution. Businesses making this voluntary contribution will be invited to become Members of the Company and will then be able to attend and vote at AGMs, sit on Theme Groups and put themselves forward to represent Voluntary Members on the BID Board.

How much will the BID cost?

The BID Levy is a daily charge. The BID Levy will be charged for each hereditament subject to business rates listed in the most up-to-date Non-Domestic Rating List. Occupiers and owner-occupiers of eligible hereditaments will pay the levy at the rate of 1.25% of Rateable Value per year.

In the first instance this is likely to generate around £380,000 for the BID per year

The BID Levy rate may be amended on an annual basis in line with inflation, at a rate to be agreed by the Wood Green BID Company Board, and not exceeding the rate of inflation shown by the average monthly national Retail Price Index (RPI) or the Consumer Price Index (CPI) (whichever is the lower) during the period September to December in the preceding financial year.

The table below sets out the indicative levy payable for businesses depending on their rateable value (based on the 1.25% levy rate).

Example rateable value	Example BID levy
£12,001	£150.01
£20,000	£250
£50,000	£625
£100,000	£1,250
£200,000	£2,500
£500,000	£6,250
£1,000,000	£12,500

What if I pay business rates as part of my rent or service charge?

Where the occupants of hereditaments pay an inclusive rent or other charge for occupying space that includes the business rates charge, the organisation or person who is liable for paying business rates is liable to pay the BID Levy and, consequently, is eligible to vote in the ballot.

I'm thinking of taking on more premises in the BID Area. Will I have to pay a levy on these when I move in?

Businesses which begin to occupy existing hereditaments during the BID Term will be liable to pay the levy for their period of occupation, providing the hereditament remains eligible for BID membership. The BID Levy will be extended to occupiers and owner-occupiers of hereditaments built or first occupied in the BID area during the life of the BID, assuming that they are otherwise eligible. In these cases the levy will be calculated on the rateable value entered in the most recent version of the ratings list.

Additionally, where a business can prove that it stopped occupying a hereditament during the BID Term and has already paid the BID Levy, it shall be entitled to receive a refund for the proportion of the BID Levy covering the period of time from the proven day on which the business stopped occupying the hereditament to the end of that BID billing period.

How will the BID levy be collected?

Arrangements for the collection of the BID Levy are set out in a formal Operating Agreement between the BID Company and London Borough of Haringey. The Council will be responsible for collecting the BID Levy on behalf of the BID Company and will charge the BID Company an administrative fee for carrying out this service, as detailed in the Operating Agreement. The BID levy will be payable in one instalment per year. In the first year of the BID Term, bills will be raised in June and payment will become due on 1st July for the period of 1st July 2018 to 31st March 2019. In subsequent years of the BID Term, the bill will cover the financial year from 1st April to 31st March. The final bill will cover the period from 1st April 2022 to the 30th June 2023. Enforcement measures for the collection of the BID Levy will be detailed in the Operating Agreement between the BID Company and London Borough of Haringey.

The BID Levy is a mandatory charge and collection is enforceable in the same way as the business rate. After 14 days non-payment of the BID Levy, a reminder will be sent giving a further 14 days to pay. If after a further seven days from the payment date stated in the Reminder Notice the outstanding sum of the BID Levy has not been paid the Council may make an application to the Magistrates Court for a Liability Order to recover the outstanding sum of the BID Levy. The BID Company will strongly pursue collection of the BID Levy, using all available enforcement mechanisms. Non-payment of the BID Levy will incur additional costs to the business in question.

Who will pay for the costs of the ballot and how is the set-up phase being funded?

The cost of the BID ballot will be paid by London Borough of Haringey. If the ballot is unsuccessful, with a turnout of less than 20%, it is London Borough of Haringey's intention not to require the BID Proposer to reimburse it for the costs of the ballot.

None of the costs incurred in getting these proposals to the stage of BID ballot will be recovered through the BID levy.

Can the BID arrangements be altered?

Only minor amendments can be made to the BID arrangements without seeking formal approval from the BID Members through an alteration ballot. BID arrangements may be altered without an alteration ballot, as long as there is no proposal to alter:

- The geographical area of the BID
- The BID Levy in such a way that would:
 - i. cause any person to be liable to pay the BID Levy who was not previously liable to pay; or
 - ii. increase the BID Levy for any person other than for inflation purposes as set out above

Where BID arrangements may be altered without an alteration ballot, the alteration will be made by a decision of the Wood Green BID Company Board, following consultation with London Borough of Haringey.

SCHEDULE 2 – BASELINE AGREEMENT – NOT INCLUDED

Schedule 3 – Draft Administrative Expenses

Schedule of expenses for 1st July 2018 to 31st March 2019, excluding VAT

Recurring Annual Expenses		
Business Improvement District annual levy collection costs including administration, postage and packaging etc.	£20,223.56	
Annual BID Module Software Maintenance Costs	£2,000	
One-off first year expenses		
Additional one-off Establishment Costs in first year (cost of purchasing and setting up billing software)	BID Module	Year one set-up
	£8,000	£9,175*

After the first year set out above, the recurring annual expenses identified in the table above will be reviewed and adjusted by the Council annually in line with Clause 6 and any other relevant provisions of this Operating Agreement.

- Excludes Central IT costs which we have been unable to establish at present.

[Note: this is a first draft estimate that is subject to further negotiation prior to signature]

APPENDIX 3 – 2. INTERNAL FINANCIAL MANAGEMENT & GOVERNANCE ARRANGEMENTS

This is a recommendations paper presented to the Wood Green BID Steering Group, to be reviewed and formalised by the Wood Green BID Board assuming a successful ballot

1. Introduction

It will be necessary for the Wood Green BID Board to establish a number of financial policies and procedures to ensure that there are sufficient checks & balances in place from the outset as part of a robust financial system for the company.

The purpose of this paper is to recommend to the Steering Group / Board financial principles and key elements to be included in the respective policies and procedures.

2. Recommendations

2.1 Budget setting

The Board will set one-year and BID term budgets for programme ‘themes’ at the outset of each financial year; it will retain the overall collective responsibility for approving the Business Plans of programme themes; for monitoring spend against budget, and for agreeing any significant new project or variation to that budget during the course of the year.

The budget-setting decisions of the Board may be supported by (1) a Finance & General Purposes Committee or similar, which will be responsible for reviewing, and advising the Board on the Theme Groups’ proposals for overall yearly Business Plans and budgets, and (2) Theme Groups – which will be responsible for drawing up draft individual Theme Group Business Plans and budget proposals for each of the projects for which they are responsible.

The broad principles and responsibilities in relation to setting annual and BID term budget(s) are as follows. (However, more detailed procedures and processes may be developed where necessary.)

- I. In broad terms, the main ‘theme’ budgets will align with the pledges outlined in the BID proposal.
- II. Where possible the budgets set by the Board will be informed by individual Theme Group business plans. However, the Board will agree and set yearly and BID term budgets which may not reflect amounts requested by the Theme Groups; and will also be informed by advice and comments from the Finance & General Purposes Committee or similar

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(particularly where the sum of the proposals made in the individual Theme Groups' draft Business Plans exceeds the total funding available).

- III. Where possible, business Plans will be produced by each Theme Group in January / early-February each year for consideration initially by the Finance & General Purposes Committee, and then at the March Board – which will formally adopt the budget for the following financial year.

2.2 Project scrutiny process

Where they exist, the Theme Groups will be responsible for ensuring that individual projects for their theme area deliver to time and keep within the agreed budget; and they will be supported to do that by regular reports and financial information.

- I. Authorisation/Approvals procedure for Theme Groups and Managers.
- Prepare yearly business plans detailing anticipated expenditure items and make an allocation for elements not confirmed.
 - Obtain at least 1 verbal quote for expenditure up to £1,499
 - Obtain at least two written quotes for expenditure between £1,500 and £4,999
 - Obtain at least three written quotes for expenditure of £5,000 or more
 - Where the Theme Manager is separate to the BID Manager, request approval from the BID Manager for expenditure of £2,000 or more.
 - Gain approval from the Project Scrutiny and Approvals process of the Finance & General Purposes Committee for purchases over £5,000, and Board approval for purchases over £10,000 or if the Finance & General Purposes Committee judges that further information and/or strategic authority from the Board is required. (n.b. Where there is no Finance & General Purposes Committee or similar, the board may replace it.)
 - Authorise invoices related to their areas of responsibility prior to forwarding for payment.
 - In exceptional circumstances sums otherwise requiring Board or Finance & General Purposes Committee approval, up to a maximum of £15,000, may be signed off by agreement between all of: the Board Chair, the Finance & General Purposes Committee Chair and the BID Manager. Any such decision must be subsequently reported to the Board and the Finance & General Purposes Committee at their next meetings.
- II. Project Scrutiny and Approvals Process (for Finance & General Purposes Committee)
- For each new yearly business plan, the Finance & General Purposes Committee will undertake an independent Project Scrutiny and Approvals Process for all new project expenditure proposals/commissioning over the value of £5,000.
 - There will be a four stage process as follows:
 - A project development plan for each project will be written by the staff team in collaboration with the relevant Theme Group.
 - The Finance & General Purposes Committee will meet to provide independent scrutiny of all project/budget proposals for the next financial year in order to support the Board in approving project Business Plans and annual budgets at its March meeting.
 - Where Theme Groups initiate new (or materially changed) projects during the course of the year, they will similarly need to obtain Finance & General Purposes and / or Board approval (depending on size). In order to scrutinise the project

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development plans as soon as is practicable the F&GP may carry out this role by email, or meet as appropriate by agreement; it will assess the content of the plans against agreed criteria (such as the BID Proposal).

- The outcome of the Finance & General Purposes Committee's scrutiny will be reported to the next available meetings of the Board to support their collective consideration/decision of the proposals.

III. The Finance & General Purposes Committee will also require its written Terms of Reference to cover its ongoing Finance duties. These will broadly include:

- Reviewing actual income and expenditure against budget figures (at a more detailed level than would normally be possible at a meeting of the Board), and drawing attention of the Theme Groups / Board to any potential matters of concern.
- Making recommendations to the Board concerning significant financial risks, variations and / or alterations, and budget pressures/choices.
- Reviewing the financial detail behind the Theme Group draft Business Plans in Feb/March and providing independent advice and scrutiny on them to help inform the Board's decisions.

2.3 Purchase Order system.

A formal Procedure may need to be put in to place that will comply with normal auditing controls and standards. The system may include the following key points:

- I. Complements the 'Authorisation/Approvals Procedure' and other controls
- II. Provides greater certainty re projected expenditure and improve the level of forward control.
- III. Requires officers to obtain a Purchase Order number prior to placing an order.

2.4 Payments system

Computerised / on-line payments will be used:

- I. Payments will be batched. All payments pending will be entered into a spreadsheet with the date, payee, description of goods or services, amount (gross, VAT, net), folio number, allocation to expenditure area, and category of expenditure.
- II. The BID will aim to have three cheque signatories, at least two of whom will also be on the Financial Management and Governance Committee.
- III. Two days before the payment date the spreadsheet will be sent by e-mail to the cheque signatories for review. Signatories then have two days in which to respond – to raise any queries about any payment or to confirm that payment can be made. A positive response from at least two signatories (including at least one on the Finance & General Purposes Committee) will be required before the payments are processed. Whenever possible payments will be processed in one session each month.
- IV. Assistant to enter payments on-line but authorisation will be required from BID Manager or Financial Manager before payments are released from bank account.
- V. A quarterly meeting may be convened with one of the three signatories to review batch payments by comparing the spreadsheet with the actual invoices and with the bank statements.

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2.5 Budget reporting – management accounts.

Members of the Board have collective responsibility for the overall financial controls and solvency.

Summary Financial reports will be presented to each Board meeting including:

- I. Lifetime forecast (for 5 year BID)
- II. Budget / forecast for year
- III. Expenditure for year – split in to quarters and updated for each meeting
- IV. Income for year – split in to quarters and updated for each meeting
- V. Cashflow, if cash is particularly tight

In addition, more detailed reports may be provided to the Theme Groups and the Finance & General Purposes Committee – each of which will be expected to highlight any significant potential concerns to the main Board.

August 2017

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