

**THE MAYOR AND BURGESSES OF THE ROYAL BOROUGH OF  
KENSINGTON AND CHELSEA**

**AND**

**WEST CENTRAL BIDS LIMITED**

**(Ratepayer)**

**(King's Road)**

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**OPERATING AGREEMENT**

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**THIS AGREEMENT** is made on                      of    2022

**BETWEEN**

1.     **THE MAYOR AND BURGESSES OF THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA** of Town Hall, Hornton Street, London, W8 7NX (the "Council")
2.     **WEST CENTRAL BIDS LIMITED trading as THE KING'S ROAD PARTNERSHIP** whose operation office is at 10 Duke of York Square London SW3 4LY (the "BID Partnership")

**RECITALS**

- A     The Council are the billing authority for the purposes of the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004 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 Partnership is responsible for the operation of the BID and for using the BID Levy for the purposes of achieving 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 Partnership for the duration of the BID.
- D     The purpose of this Agreement is to:
  - establish the procedure for setting the BID Levy;
  - confirm the basis upon which the Council will be responsible for collecting the BID Levy;
  - set out the enforcement mechanisms available for collection of the BID Levy;
  - set out the procedures for accounting and transference of the BID Levy;
  - provide for the monitoring and review of the collection of the BID Levy; and
  - confirm the manner in which the Council's expenses incurred in collecting the BID Levy shall be paid.

IT IS AGREED as follows:

## 1 DEFINITIONS AND INTERPRETATION

- “Administrative Expenses”** - means costs incurred by the Council in the administration, collection and recovery of the BID Levy other than the Software Charges, Support and Maintenance Charges and External Auditors Costs.
- “Annual Report”** - means a report prepared by Council which details:
- (i) the amount of the BID Levy collected during the relevant Financial Year;
  - (ii) 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;
  - (iv) 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.
  - (vi) The Council’s proposal(s) for dealing with credit balances for a BID Levy Payer accounts
- “Appeal Notice”** - means a notice served by the BID Partnership in accordance with Clause 9.2.
- “Bad or Doubtful Debts”** - has the meaning given in the Regulations.
- “Ballot”** - means a ballot, renewal ballot, alteration ballot or re-ballot as appropriate held in respect of the Proposals in accordance with the Regulations.
- “Ballot Result Date”** - means the date upon which a successful ballot result has been declared in favour of putting in place or renewing the BID Arrangements.
- “BID”** - has the meaning given in the Regulations, that is the Business Improvement District and is the geographical area within which the BID Arrangements operates as shown on

the plan attached to this Agreement in Schedule 1.

**“BID Arrangements”**

- has the meaning given by section 41 of the Local Government Act 2003.

**“BID Partnership Report”**

- means a report prepared by the BID Partnership for each Financial Year which details:
  - (a) total income and expenditure arising from the BID Levy;
  - (b) other income and expenditure of the BID Partnership;
  - (c) a statement of actual and pending deficits; and
  - (d) the various initiatives and schemes upon which the BID Levy has been expended by the BID Partnership.

**“BID Levy”**

- means the charge payable by the BID Levy Payer levied and collected by the Billing Authority during the Chargeable Period for the BID Term pursuant to the Regulations and this Agreement.

**“BID Levy Payer”**

- means an eligible non-domestic rate payer for a Hereditament(s) within the BID area in respect of the BID Arrangement.

**“BID Levy Rules”**

- means the rules for the BID Levy set out in Schedule 2.

**“BID Multiplier”**

- shall be:
  - 1% for Chargeable Period 2021-22
  - increasing annually on 1 April by 3%
  - thereafter;

**“BID Revenue Account”**

- means the account kept in accordance with Regulation 14 of the Regulations.

**“BID Term”**

- means five years from 1 December 2021 to 30 November 2026 or the date of earlier termination of this Agreement under Clause 3.1

**“Change in Law”**

- means an amendment or re-enactment of any Legislation or the coming into effect of any new Legislation, or any

applicable judgment of a relevant court of law which changes a binding precedent.

**“Chargeable Period”**

the billing dates are:

- means the following periods:

1.12.2021 to 31.3.2022

1.4.2022 to 31.3.2023

1.4.2023 to 31.3.2024

1.4.2024 to 31.3.2025

1.4.2025 to 31.3.2026

1.4.2026 to 30.11.2026

**“Committal”**

- means an order made by a Magistrates’ Court for a BID Levy Payer to be committed to prison for failure to pay the BID Levy.

**“Contingency”**

- means:

(a) 1% of the BID Levy collected from 1 December 2021 to 31 March 2026; and

(b) 5% of the BID Levy collected from 1 April 2026 to 30 November 2026.

**“Contributors”**

- means the BID Levy Payers and payers of Voluntary Contributions.

**“Demand Notice”**

- has the meaning given in the Regulations.

**“District Auditor’s Costs”**

- means the sum charged by the District Auditor in carrying out an audit of the BID Revenue Account.

**“Effective Date”**

- has the meaning given in regulation 16 of the Non-Domestic Rating (Alteration of Lists and Appeals) (England) Regulations 2009.

- “Enforcement Agent”** - means an enforcement agent employed by the Council or on behalf of the Council through a contractor.
- “Enforcement Notice”** - means a notice served on the Council in accordance with Clause 9.1.
- “Entitled To Possession”** - has the meaning given to it in Part 3, section 65 of the Local Government Finance Act 1988.
- “External Auditor’s Costs”** - means the sum charged by the Council’s external auditor in carrying out an audit of the BID Revenue Account
- “Financial Year”** - means the financial year which runs from 1 April to 31 March under the BID Term.
- “Hereditament”** - has the meaning given in the Regulations.
- “Index”** - means the Consumer Prices Index compiled by the Office for National Statistics (or any body upon which duties in connection with the compilation and maintenance of such index may have devolved).
- “Legislation”** - means all relevant Acts of Parliament and statutory regulations, instruments and/or orders, guidance, codes of practice, byelaws and directives.
- “Liability Order”** - has the meaning given in the Regulations.
- “Listed Building”** - means a Hereditament included on the Statutory List of Buildings of Special Architectural or Historic Interest, available at:  
<https://data.gov.uk/dataset/statutory-list-of-buildings-of-special-architectural-or-historic-interest>
- “Monitoring Group”** - means the group whose members consist of representatives from the Council and the BID Partnership that monitors the BID Arrangements.

- "NDR"** - means the local Non-Domestic Rates under the Local Government Finance Act 1988.
- "NDR Discretionary Relief"** - means relief which a local authority has a discretion to grant under section 47 of the Local Government Finance Act 1988.
- "NDR Hardship Relief"** - means relief which a local authority has a discretion to grant under section 49 of the Local Government Finance Act 1988.
- "NDR Mandatory Relief"** - means relief which a local authority must grant under section 43 of the Local Government Finance Act 1988.
- "NDR Payer"** - means the person or organisation who has a liability to pay the NDR.
- "NDR Regulations"** - means the regulations made pursuant to Part 3 of the Local Government Finance Act 1988.
- "NDR (Section 44A) (Partly Occupied) Relief"** - means a NDR allowance under section 44A of the Local Government Finance Act 1988.
- "NDR Small Business Rate Relief"** - means a NDR allowance under section 61 of the Local Government Act 2003
- "NDR Transitional Phasing"** - means the transitional arrangements under section 57 of the Local Government Finance Act 1988 and the Local Government Act 2003.
- "Occupier"** - has the meaning given to it by section 65 of the Local Government Finance Act 1988.
- "Primary Description Code"** - means the primary description code used by the VOA in order to distinguish between Hereditament types on the Rating List.
- "Proposals"** - means the proposals 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 Voluntary Contributions to achieve those objectives and “Renewal Proposals” has the same meaning save that “Ballot” is replaced by “renewal ballot” and “Alteration Proposals” has the same meaning save that “Ballot” shall be replaced with “alteration ballot”.

- “Rateable Value”**
- means the rateable value of a Hereditament on 1 April 2021 in the current Rating List (currently 2017) or, if a Hereditament had no rateable value or a rateable value of £0 or £1 on 1 April 2021 in the current Rating List, the rateable value of such Hereditament in the current Rating List on the first day following 1 April 2021 that the Hereditament had a rateable value on the current or subsequent Rating List greater than £1.
- “Rating List”**
- means the list maintained under section 41 of the Local Government Finance Act 1988.
- “Regulations”**
- means the Business Improvement Districts (England) Regulations 2004 and such amendments to those regulations which may be made by the Secretary of State pursuant to section 48 of the Local Government Act 2003 (from time to time).
- “Reminder Notice”**
- has the meaning given to it in paragraph 8.2.1 of Schedule 2.
- “Repayment Sum”**
- has the meaning given to it in Clause 5.6.
- “Single Instalment Due**
- means the date by which the BID Levy as set out in the

<b>Date</b>	Demand Notice must be paid.
<b>“Software Charges”</b>	- means any charges levied by Civica Uk Limited on behalf of the Council in respect of the BID Levy.
<b>“Sum Unpaid”</b>	- means the amount of the BID Levy which is unpaid after the Single Instalment Due Date.
<b>“Unoccupied”</b>	- has the meaning given to it by section 65 of the Local Government Finance Act 1988.
<b>“Valuation Office Agency” or “VOA”</b>	- means the executive agency, sponsored by HM Revenue & Customs, that gives the government the valuations and property advice needed to support taxation and benefits and maintains the Rating List, or any successor body in which such responsibilities are vested.

- “Voluntary Contributions”** - means any contributions or funds paid or made available to the BID Partnership which do not form part of the BID Levy.
- “Winding Up”** - means an order pursuant to section 125 of the Insolvency Act 1986.
- “Write Backs”** - means the removal of a credit balance from a BID Revenue Account by the Council in accordance with its audit guidelines and internal procedures
- “Write-Off”** - means a decision by the BID Partnership that an unpaid BID Levy will not be recovered.

- 1.1 Clause, schedule and paragraph headings shall not affect the interpretation of this agreement.
- 1.2 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's legal and personal representatives, successors and permitted assigns.
- 1.3 The schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement and any reference to this agreement includes the schedules.
- 1.4 A reference to a **Partnership** shall include any Partnership, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 Words in the singular shall include the plural and vice versa.
- 1.6 A reference to a statute or statutory provision is a reference to it as it is in force for the time being, taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.7 A reference to **writing** or **written** includes email but not faxes.
- 1.8 Any obligation in this agreement on a person not to do something includes an obligation not to agree or allow that thing to be done.
- 1.9 A reference to a document is a reference to that document as varied or novated (in each case, other than in breach of the provisions of this agreement) at any time.
- 1.10 References to Clauses and Schedules are to the clauses and schedules of this agreement; references to paragraphs are to paragraphs of the relevant Schedule.
- 1.11 Where there is any conflict or inconsistency between the provisions of the agreement, such conflict or inconsistency shall be resolved according to the following order of priority:
- 1.11.1 the Clauses of the agreement; and
- 1.11.2 the Schedules to this agreement.

## **2 STATUTORY AUTHORITIES**

- 2.1 This Agreement is made pursuant to Part 4 of the Local Government Act 2003 and section 111 of the Local Government Act 1972 and all other enabling powers

## **3 COMMENCEMENT**

- 3.1 This Agreement shall not take effect until the Ballot Result Date and in any event shall determine and cease to be of any further effect in the event that:
- 3.1.1 the BID Partnership fails to secure approval of the Proposals, Renewal Proposals or Alteration Proposals in a Ballot;
  - 3.1.2 the Secretary of State declares void the Bid Ballot under regulations 9 of the Regulations;
  - 3.1.3 the Council exercises its veto under regulation 12 of the Regulations in respect of the Proposals and there is no successful appeal against the veto under regulation 13 of the Regulations;
  - 3.1.4 the BID Term expires, save where the BID Partnership secures approval of Renewal Proposals or Alteration Proposals in a Ballot in which event this Agreement shall continue until the expiry of the BID term set out in such Renewal Proposals or Alteration Proposals, and the Council consents to the continuation of this Agreement; or
  - 3.1.5 the Council exercises its discretion to terminate the BID Arrangements in exercise of powers under regulation 18 of the Regulations.
- 3.2 The expiry or termination of this Agreement shall be without prejudice to the Council's powers and obligations under the Regulations in connection with the administration, collection and recovery of the BID Levy payable in respect of a period prior to the expiry or termination of this Agreement, refunds to BID Levy Payers and the keeping and administration of the BID Revenue Account.

## **4 SETTING THE BID LEVY**

- 4.1 As soon as is reasonably practicable following the Ballot Result Date the Council shall:
- 4.1.1 calculate the BID Levy for each BID Levy Payer in accordance with the BID Levy Rules; and
  - 4.1.2 confirm in writing to the BID Partnership the BID Levy payable by each BID Levy Payer.
  - 4.1.3 The final decision on liability for the BID Levy will at all times rest with the Council.

## **5 THE BID REVENUE ACCOUNT**

- 5.1 As soon as is reasonably practicable following the Ballot Result Date the Council shall keep a BID Revenue Account within the Council's general fund and provide written confirmation to the BID Partnership of the same.
- 5.2 As soon as reasonably practicable following the Ballot Result Date the BID Partnership shall provide the Council with details of its bank account into which the BID Levy shall be transferred from the BID Revenue Account and any other details which the Council may reasonably require.

- 5.3 The Council shall pay to the BID Partnership, upon the expiry of the first month following the commencement of the BID Term and every month thereafter, the BID Levy collected in that month less the Contingency.
- 5.4 The Council and the BID Partnership shall review the Contingency every three months (for the duration of the BID Term) and the Council shall take reasonable account of any representations made by the BID Partnership. At the conclusion of such review, the Contingency percentages shall be the same unless the Council decides to change them.
- 5.5 Unless otherwise agreed, the Council shall pay to the BID Partnership the amount of the Contingency the Council has retained as at 31 March of a Financial Year on 31 May of the following Financial Year. In the event of the expiry of the BID Term without the BID Arrangements being renewed or the BID Arrangements are terminated prior to the date on which the BID Arrangements fall to be renewed, then the Council shall pay to the BID Partnership any Contingency (including interest, which has accrued, if any) it has retained less an amount equal to 100% of all the BID Revenue Account Credit Balances on 30 November 2026.
- 5.6 In the event that a BID Levy Payer is entitled to repayment of a BID Levy (the "Repayment Sum") pursuant to regulation 15 and paragraph 8(4) of schedule 4 of the Regulations and in the event that the Council has previously paid all or part of the Repayment Sum to the BID Partnership, the Council shall request all or part, as the case may be, of the Repayment Sum from the BID Partnership and the BID Partnership shall pay the sum so requested to the Council forthwith and the Council shall thereafter repay the Repayment Sum to the BID Levy Payer. In the event of the termination of the BID Partnership or the receipt of notice by the Council under Clause 5.7 the BID Partnership shall forthwith pay to the Council's the estimate as notified to the BID Partnership of the total of possible Repayment Sums.
- 5.7 The BID Partnership shall provide the Council with a minimum of one month's prior written notice of any proposed resolution for winding up of the BID Partnership or proposed entry into any composition or arrangement for the benefit of the BID Partnership's creditors or proposed cessation of the BID Partnership's business or proposed administration order and shall forthwith notify the Council of the appointment of any administrator, administrative receiver or receiver over all or any of the BID Partnership's assets.
- 5.8 The BID Partnership shall issue to the Council a VAT invoice for the payment of the BID Levy income upon advice from the Council on the amount due.

## **6 ADMINISTRATIVE EXPENSES AND DISTRICT AUDITOR'S COSTS**

- 6.1 The Council shall provide the BID Partnership with one or more invoices for payment of Administrative Expenses for each Financial Year.
- 6.2 The Council's Administrative Expenses for the Financial Year 2021-22 shall be the sum of £22,000 to be paid pro rata, plus inflation. The Administrative Expenses may be subject to change, upon notice from the Council to the BID Company in the relevant Financial Year 2021 - 2022 or 2022 -23 to enable the Council to confirm the correct Administrative Expenses to be paid by the BID Company under this Agreement.
- 6.3 The Administrative Expenses for Financial Year 2022 -2023 and each subsequent Financial Year

(if relevant) shall be the amount of the Administrative Expenses in the immediately preceding Financial Year (excluding VAT) plus a further amount equal to the product of the amount (excluding VAT) of the invoices provided by the Council in the immediately preceding year and the Consumer Price Index (CPI) for the month of March immediately preceding the 1 April in the year for which the invoices are being issued by the Council in relation to the period of twelve (12) months ending in that month of March. In the event of a negative figure, no adjustment will be made to the Administrative Expenses for that year. The Council shall invoice the BID Partnership in April of each Chargeable Period for payment of the Support and Maintenance Charges for each Financial Year.

- 6.4 The Council will manage the BID Levy at no cost to the BID Partnership other than the Administrative Expenses, the Support and Maintenance Charges, the Software Charges and External Auditor's Cost. In the event, however, that the Council reasonably believes that management of the BID Levy requires the Council to provide more staff time than anticipated by the Council at the commencement of this Agreement, the Council may serve on the BID Partnership a notice of the same. Such notice will set out the amount of staff time anticipated by the Council at the commencement of this Agreement broken down by grade and type of staff, the cost of that additional staff time also broken down by grade and type of staff and the reasons for additional staff time being required, again broken down by grade and staff type. If the BID Partnership disputes the need for or the amount of the additional staff time or considers that the cost of the additional staff time could be reduced by use of different members of the Council's staff, it shall give notice including full details of the matters in dispute to the appropriate Council forthwith then the matter shall be determined in accordance with Clause 17 (Arbitration) below. If after 28 days from the date of the notice or determination of the dispute, whichever is the later, the amount of staff time has not reduced to the levels anticipated by the Council at the commencement of this Agreement the BID Partnership shall pay the Council's costs of providing more staff time as set out in the notice from the Council or as determined under Clause 17 below.
- 6.5 In the event that the District Auditor makes a charge to the Council for payment of their costs arising from the District Auditor carrying out an annual audit of the BID Revenue Account, the BID Partnership shall pay such costs.
- 6.6 In the event that the number of Hereditaments within BIDs operating in the area for which the Council is the billing authority exceeds the threshold covered by the current software licence and by reason thereof the Council is required to pay Software Charges, the BID Partnership shall pay such Software Charges to the Council or an appropriate proportion of them as the Council sees fit.
- 6.7 The BID Partnership shall pay any invoices it receives from the Council within 28 days from the date of receipt.
- 6.8 In the event that the BID Partnership fails to pay any invoice within 28 days the Council shall be entitled to debit an amount equal to such invoice from the BID Revenue Account and credit that amount in an account in the name of the relevant Council.
- 6.9 If at any time after the Ballot Result Date there is a Change in Law which increases the Administrative Expenses incurred by the Council, the Council shall be entitled to include such increase in its invoices for payment provided to the BID Partnership.

## **7 COLLECTING THE BID LEVY**

- 7.1 As soon as reasonably practicable following the Ballot Result Date the Council shall confirm in writing to the BID Partnership the anticipated date of the dispatch of Demand Notices for the initial Chargeable Period and the anticipated Single Instalment Due Date.
- 7.2 Pursuant to Clause 7.1 the Council shall serve a Demand Notice 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 of those BID Levy Payers who have paid the BID Levy and those who have not paid the BID Levy and shall make this list available to the BID Partnership ten (10) working days after the last date of each month.
- 7.4 The Council shall serve a Demand Notice or amended Demand Notice on a BID Levy Payer as soon as reasonably practicable after the Council receives notice of a change that affects liability for the BID Levy.
- 7.5 The Council shall use all reasonable endeavours to collect the BID Levy throughout the BID Term.

## **8 PROCEDURES AVAILABLE TO THE COUNCIL FOR ENFORCING PAYMENT OF THE BID LEVY**

- 8.1 Procedures for the enforcement and recovery of the BID Levy are set out in the Regulations under regulation 15 and Schedule 4 and the Council shall comply with those enforcement and recovery procedures (where appropriate) in enforcing payment of the BID Levy against BID Levy Payers.

## **9 ENFORCEMENT MECHANISMS IF THE COUNCIL FAILS TO ENFORCE COLLECTION OF THE BID LEVY**

- 9.1 In the event that the Council fails to enforce payment of the BID Levy pursuant to Clause 8 the BID Partnership shall be entitled to serve an Enforcement Notice on the Council, as appropriate, requesting that:
  - 9.1.1 the Council serve a Reminder Notice or
  - 9.1.2 in the event that the Council has already served a Reminder Notice that the Council applies for a Liability Order and the Council shall provide written confirmation of the action it shall take to comply with the Enforcement Notice.
- 9.2 If the Council fails to provide written confirmation of the action it is taking in relation to the Enforcement Notice within 21 days of the issue of the Enforcement Notice the BID Partnership shall be entitled to serve an Appeal Notice on the Director of Finance of the Council, as appropriate, and such notice shall:
  - 9.2.1 detail the Sum Unpaid;
  - 9.2.2 confirm that the Council, as appropriate, has failed to use the enforcement mechanisms available to it under this Agreement to recover the Sum Unpaid; and

- 9.2.3 include written notice requesting that a meeting of the Monitoring Group take place in order to achieve a solution and/or agree a strategy to recover the Sum Unpaid, such meeting to take place no later than 28 days from the date of the Appeal Notice.

## **10 ACCOUNTING PROCEDURES AND MONITORING**

- 10.1 Within one (1) month from the commencement of the BID Term the parties shall set up the Monitoring Group.
- 10.2 Upon the expiry of the first month from the commencement of the BID Term and every month thereafter (for the duration of BID Term) the Council shall provide the BID Partnership with:
  - 10.2.1 the amount of the BID Levy for each BID Levy Payer;
  - 10.2.2 the amount of the BID Levy collected for each BID Levy Payer;
  - 10.2.3 details of BID Levy Payers who have not paid the BID Levy;
  - 10.2.4 details of Reminder Notices issued;
  - 10.2.5 details of Liability Orders made or applied for; and
  - 10.2.6 details of agreements made, if any, between the Council and BID Levy Payers where it has been agreed that payment of a Demand Notice can be made over a period of six months or more from the date of such Demand Notice.
  - 10.2.7 The Council will undertake a due diligence process to reduce the credit balances on the BID Revenue Account at least once per Chargeable Period. The process may involve reminders to generate refund claims and transferring BID Levy overpayments from the BID Revenue Accounts to offset against NDR debt or other BID or rate liabilities within audit guidelines and potentially credit Write Backs.
- 10.3 Upon the expiry of the sixth month of the BID Term and every six months thereafter (for the duration of the BID Term) the BID Partnership shall provide the Council in respect of those six (6) month periods with:
  - 10.3.1 the amount of BID Levy received from the Council by the BID Partnership;
  - 10.3.2 the amount received by the BID Partnership from Contributors excluding BID Levy Payers; and
  - 10.3.3 the total expenditure of the BID Partnership.
- 10.4 Within one month from the commencement of the BID Term the parties shall agree the dates when there will be meetings of the Monitoring Group and there will be at least two such meetings in each Financial Year (throughout the duration of the BID Term) and on all other occasions further meetings of the Monitoring Group shall be arranged by the service of written notice by either party on the other such notice to be provided no less than 28 days prior to the date of the proposed meeting (or less if otherwise agreed or in cases of emergency) and provided further that such meetings can be dispensed with altogether upon the written agreement of the Council and the BID Partnership.
- 10.5 At each meeting the Monitoring Group shall:
  - 10.5.1 review the effectiveness of the collection and enforcement of the BID Levy; and
  - 10.5.2 if required by either party review and assess information provided by the parties



pursuant to Clauses 10.2 and 10.3 above and make recommendations provided they are permitted by the Regulations and the terms of this Agreement.

- 10.6 Within two (2) months after the end of each Financial Year (for the duration of the Bid Term) the Council shall provide an Annual Report to the BID Partnership to be issued on or around 31 March.
- 10.7 Within one (1) month from the date of receipt of the Annual Report in each financial year (for the duration of the Bid Term) the BID Partnership shall provide a BID Partnership Report to the and Council respectively.

## **11 ALTERATION OF BID ARRANGEMENTS**

- 11.1 The Board of the BID Partnership may not alter the BID Arrangements without an alteration Ballot, other than to reduce the BID Levy.
- 11.2 Any alterations to the BID Arrangements must not conflict with the Local Government Act 2003 or the Business Improvement District (England) Regulations 2004.
- 11.3 The Council shall ensure the altered BID Arrangements are made by the time those altered BID Arrangements are to come into force and shall send a notice in writing explaining the reason for and the effect of the alteration to each person liable for the BID Levy under the altered BID Arrangements.
- 11.4 The Council may invoice the BID Partnership in respect of the relevant the Council's costs in implementing any alterations to the BID Arrangements, including without limitation any costs in sending notices in respect of the alterations.

## **12 CONFIDENTIALITY**

- 12.1 The Council and the BID Partnership shall keep confidential and not 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 and this obligation shall survive the termination or lapse of the BID Arrangements.

## **13 NOTICES**

- 13.1 Any notice or other written communication to be served or given to or upon any party to this Agreement to the other shall be in writing and shall be sent to the address provided for above or such substitute address in England as may from time to time have been notified by that party upon 7 days' written notice.
- 13.2 A notice may be served by:
  - 13.2.1 delivery to the Council's Chief Executive at the address of the Council specified above;

- 13.2.2 delivery to the Director, Partnership Secretary or Chief Executive Officer at the address of the BID Partnership specified above;
  - 13.2.3 registered or recorded delivery post to such addresses; or
  - 13.2.4 electronic communication (provided that it is in legible form and is capable of being used for subsequent reference) to such addresses.
- 13.3 Any notice served shall be deemed to have been validly served or given at the time when in the ordinary course of business it would have been received.

#### **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 4 of the Local Government Act 2003 then such part shall be struck out and the balance of this Agreement shall remain.
- 14.2 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 and executed.
- 14.3 References to the Council shall include any successors to its functions as local authority.
- 14.4 References to statutes, bye laws, regulations orders or delegated legislation shall include any such instrument re-enacting or made pursuant to the same power.

#### **15 EXERCISE OF THE COUNCIL'S POWERS**

- 15.1 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.
- 15.2 The Council may terminate this Agreement in accordance with the Regulations.

#### **16 CONTRACTS (RIGHTS OF THIRD PARTIES)**

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

#### **17 ARBITRATION**

- 17.1 The following provisions shall apply in the event of a dispute:
  - 17.1.1 any dispute or difference of any kind whatsoever arising between the parties hereto out of or in connection with this Agreement shall be first referred to a meeting between the Council's Director of Finance and the BID Partnership's Chair who shall enter into good faith negotiations to resolve the dispute or difference;
  - 17.1.2 if such meeting fails to resolve the dispute or difference then the dispute or difference shall be referred to arbitration before a single arbitrator;
  - 17.1.3 the parties shall jointly appoint the arbitrator not later than 28 (twenty eight)

days after service of a request in writing by either party to do so and each party shall bear its own costs;

17.1.4 if the parties are unable to agree within 28 (twenty eight) days the appointment of such arbitrator then such arbitrator (hereinafter referred to as “the Tribunal”) shall be appointed on the application of either party to the President for the time being of the Law Society.

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

17.2.1 to prosecute any such reference expeditiously; and

17.2.2 to do all things or take all steps reasonably necessary in order to enable the Tribunal to deliver any award (interim, final or otherwise) as soon as reasonably practicable;

17.2.3 that the award shall be in writing signed by the Tribunal and shall be finalised within 21 (twenty one) days from the date of such award;

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

## **18 VARIATIONS**

18.1 No Variation to this Agreement shall be effective unless:

(i) it is recorded in writing and signed by the the Council and the BID Partnership and

(ii) the substance of such Variation has first been approved in accordance with any applicable internal processes or policies of each Party.

18.2 Accordingly neither the Council nor the BID Partnership shall implement a variation other than one which is in accordance with this Clause 18.

This Agreement has been executed as a deed and it delivered and take effect on the date stated at the beginning of it:

**THE COMMON SEAL of THE MAYOR AND  
BURGESSES OF THE ROYAL BOROUGH  
OF KENSINGTON**



Sealed By: Kensington and Chelsea Council  
Sealed Time: 18 February 2022 | 10:51 GMT

was hereunto  
Affixed by Order

DocuSigned by:  
*Keith Simkins*  
DFE2A07415E6487...

.....

Executed as a deed by:  
**WEST CENTRAL BIDS LIMITED**  
Acting by two Partners'

DocuSigned by:  
*[Signature]*  
2BBBF53A004A42B...

.....  
**Partner**

DocuSigned by:  
*[Signature]*  
F694432944794C4...

.....  
**Partner**

# SCHEDULE 1 BID AREA PLAN



## SCHEDULE 2 BID LEVY RULES AND ENFORCEMENT

### 1 INTRODUCTION

- 1.1 The following rules must be read in conjunction with the Regulations. Where the rules conflict with the Regulations the Regulations shall prevail.

### 2 HEREDITAMENTS SUBJECT TO THE BID LEVY

- 2.1 A BID Levy Payer will be subject to the BID Levy in respect of a Hereditament if on a particular day in a Chargeable Period the Hereditament:

- 2.1.1 is in the BID;
- 2.1.2 is on the Rating List;
- 2.1.3 has a Rateable Value of £50,000 or more; and

- 2.2 The BID levy will only apply to retail, food and beverage, leisure (including Hotels) and office Hereditaments in respect of the following VOA codes:

- 2.2.1 CS and CS1 to CS10 inclusive
- CR, CR1, and CR2
- CM and CM1
- CL, CL1 and CL2
- CO and CO1
- CH, CH1 to CH3 inclusive
- LT and LT1 to LTX inclusive
- TX – Treasure unclassified

### 3 THE BID LEVY

- 3.1 For the avoidance of doubt, the BID Levy is a daily charge due annually in advance.

- 3.2 The BID Levy will be calculated for a Chargeable Period as follows:

*BID Rateable Value x BID Multiplier x (D/Y)*

where:

- 3.2.1 D is the number of days in such Chargeable Period for which the BID Levy Payer is liable for the BID Levy; and
  - 3.2.2 Y is the number of days in that Chargeable Period
- 3.3 BID Rateable Value – is the Rateable Value of the Hereditament as at 1 April 2021 or, if none, the earliest effective date in the 2017 or subsequent Rating List

- 3.4 The BID Levy will be rounded to the nearest penny (and note that £0.005 will be rounded up to £0.01).
- 3.5 The BID Levy will assume an annual growth rate for inflation of 3% to be applied on 1 April in each Chargeable Period;
- 3.6 The BID Levy per Hereditament will be capped at £50,000 per Chargeable Period.
- 3.7 For the avoidance of doubt the BID Levy will not be subject to VAT.

#### **4 CHANGES IN RATEABLE VALUE**

- 4.1 Where the Council is notified of a change in the Rateable Value of a Hereditament by the VOA by way of a schedule update (an **RV Change**) then the Council will calculate the adjustment to the BID Levy pursuant to the later of the following dates:
  - 4.1.1 the Effective Date of such change; or
  - 4.1.2 1 April of the Financial Year in which the relevant schedule update is issued.
- 4.2 Where the Council is notified of a change in the Rateable Value of a Hereditament by the Valuation Officer by way of a schedule update and such change relates to:
  - 4.2.1 a new entry in a Rating List (whether as the result of a new Hereditament or the split or merger of previously existing Hereditament(s)); or
  - 4.2.2 a reduction in the Rateable Value to £0 or £1; or
  - 4.2.3 a deletion of the Hereditament from the Rating List, then the Council, as appropriate, will calculate the adjustment to the BID Levy pursuant to the Effective Date of such change
- 4.3 The Council will only issue refunds of the BID Levy in respect of an RV Change for the Chargeable Period in which the RV Change occurs. There will be no refunds in respect of the previous Chargeable Period except where clause 4.2 applies.

#### **5 PERSONS / ORGANISATIONS LIABLE FOR THE BID LEVY**

- 5.1 Liability for the BID Levy will fall on the Occupier of the Hereditament on the relevant day.
- 5.2 If a Hereditament is Unoccupied, the liability for the daily BID Levy will fall on the organisation / person Entitled to Possession of the Hereditament on the relevant day.

#### **6 BID LEVY ALLOWANCES**

- 6.1 A BID Levy Payer will not receive an allowance towards the BID Levy in relation to an Unoccupied Hereditament.
- 6.2 A BID Levy Payer will not receive a three month void exemption or any other Unoccupied rate exemption in relation to Unoccupied Hereditaments or Hereditaments that become Unoccupied during the BID Term, unless such Unoccupied Hereditament is a Listed Building in which case it will receive full exemption from the BID Levy.

- 6.3 If on a particular day there is no NDR Payer in existence in respect of a Hereditament then no BID Levy is payable on that day in respect of that Hereditament.
- 6.4 There will be no allowances applicable to the BID Levy corresponding to NDR Discretionary Relief, NDR Hardship Relief, NDR (Section 44A) (Partly Occupied) Relief, NDR Small Business Rate Relief or NDR Transitional Phasing.

## **7 COLLECTION OF THE BID LEVY**

- 7.1 The Council shall serve a Demand Notice on a BID Levy Payer as soon as practicable after the Council becomes aware of a BID Levy liability. The Council may serve a Demand Notice before the beginning of a Chargeable Period in accordance with paragraph 5(2) of schedule 4 of the Regulations. The Demand Notice must make it clear to the BID Levy Payer that the BID Levy for a Chargeable Period must be paid by the Single Instalment Due Date.
- 7.2 The BID Levy for a Chargeable Period will be payable in advance upon the service of a Demand Notice.
- 7.3 Before exercising its powers under paragraph 8(4) of schedule 4 of the Regulations the Council shall allow the BID Partnership to make representations as to the manner in which the Council should exercise its discretion under that paragraph and in deciding how to exercise its discretion the Council shall have regard to any such representations.
- 7.4 The BID Partnership may authorise Write-Offs, as appropriate.

## **8 ENFORCEMENT AND RECOVERY OF THE BID LEVY**

### **8.1 Stage 1**

- 8.1.1 The Council, as appropriate, will serve a Demand Notice at least 14 days before the Single Instalment Due Date.

### **8.2 Stage 2**

- 8.2.1 In the event that a BID Levy Payer does not pay the BID Levy by the Single Instalment Due Date in full the Council will serve a notice at least 10 days thereafter on the BID Levy Payer for an amount equal to the Sum Unpaid (a "Reminder Notice"). Such Reminder Notice must be in terms demanding payment of the Sum Unpaid within seven days.

### **8.3 Stage 3**

- 8.3.1 In the event that a BID Levy Payer does not pay the Sum Unpaid in full within seven days from the date of the Reminder Notice, the Council may apply to a Magistrates' Court for a Liability Order after 14 days of the date of the Reminder Notice.

### **8.4 Stage 4**

- 8.4.1 In the event that a Magistrates' Court makes a Liability Order the Council will



instruct the Enforcement Agent within a reasonable period thereafter to execute the Liability Order.

- 8.4.2 In addition to a Liability Order, the BID Partnership may request the Council to apply for a different order and such order may include an order for Committal and an order for Winding Up a Partnership. Where such a request is made, the Council shall not be required to take the action requested unless the BID Partnership first agrees to pay all or part of the Council's costs in taking such action. The Council may further require the BID Partnership to pay such costs before the action is taken.

#### 8.5 General Enforcement and Recovery Provisions

- 8.5.1 The Council may enter into an agreement with a BID Levy Payer for payment of a Sum Unpaid at any time after service of a Demand Notice and such agreements do not require consent of the BID Partnership.
- 8.5.2 Costs recovered by the Council from a BID Levy Payer as a consequence of applying for and / or obtaining orders from a Magistrates' Court will be retained by the Council to meet the costs of taking such action.
- 8.5.3 The Council will not charge the BID Partnership for work carried out by an Enforcement Agent pursuant to this Agreement and the Enforcement Agent will retain the fees prescribed for that work by the Taking Control of Goods (Fees) Regulations 2014.

### 9 BILLING/RECOVERY DOCUMENTS

- 9.1 The Council will use reasonable endeavours to agree with the BID Partnership the design of all Demand Notices and letters from the Council to BID Levy Payers.
- 9.2 The BID Partnership will produce the information required by paragraph 3(2) of schedule 4 of the Regulations in respect of each BID Levy Payer in the form of an information leaflet which explains the BID Levy and such information leaflet will be served on the BID Levy Payer at the same time as the Demand Notice. The Council will advise the BID Partnership of the date by which such information leaflets must be delivered to the Council or their contractor, the required volume and any specific delivery instructions and the BID Partnership will comply with such requirements.

## SCHEDULE 3

### DATA PROTECTION

#### 1 DEFINITIONS

- 1.1 The following expressions have the meanings given:

**Controller, Processor, Data Subject, Personal Data, and Personal Data Breach** take the meaning given in the GDPR.

Data Protection Legislation:

- (a) **the** GDPR;
- (b) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy; and
- (c) all applicable Legislation about the processing of personal data and privacy.

**Data Protection Impact Assessment:** an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.

**Data Loss Event:** any event that results, or may result, in unauthorised access to Personal Data held pursuant to this Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Agreement, including any Personal Data Breach.

**Data Subject Access Request:** a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

**UK GDPR:** the General Data Protection Regulation.

**Personal Data:** all personal data collected, generated or otherwise processed by either party as a result of or in connection with the Services or this Agreement.

**Protective Measures:** appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it.

- 1.2 For the purposes of this Schedule, where terms and expressions used are not defined in this Agreement they shall have the meaning assigned to them in the Data Protection Legislation.

## **2 JOINT CONTROLLERS**

- 2.1 The BID Partnership acknowledges that the Council is under no obligation to transfer any Personal Data to the BID Partnership. Any such transfers will be made by the Council as a good- will gesture.

- 2.2 Each Party shall be responsible for its own obligations as a Controller under the Data Protection Legislation.
- 2.3 Each Party shall perform or receive the Services in compliance with the Data Protection Legislation
- 2.4 Each Party shall:
  - 2.4.1 maintain its own records of processing under Article 30 of the UK GDPR;
  - 2.4.2 be responsible for determining its data security obligations, taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of the processing of Personal Data, as well as the risks of varying likelihood and severity to the rights and freedoms of the Data Subjects;
  - 2.4.3 implement appropriate Protective Measures to protect the Personal Data against unauthorised or unlawful Processing and accidental destruction or loss; and
  - 2.4.4 ensure the protection of the rights of the Data Subject, in such a manner that the Processing will meet the requirements of the Data Protection Legislation where Personal Data have been transmitted by it, or while the Personal Data are in its possession or control.
- 2.5 When transferring Personal Data:
  - 2.5.1 the Party transferring the Personal Data (the **Data Transferor**) warrants and undertakes to the Party receiving the Personal Data (the **Data Recipient**) that such Personal Data have been collected, processed and transferred in accordance with the Data Protection Legislation, this paragraph 2, and any other laws applicable to the Data Transferor and to the Personal Data;
  - 2.5.2 the Data Recipient warrants and undertakes to the Data Transferor that:
    - (a) it will process the Personal Data in accordance with the Data Protection Legislation;
    - (b) it has and will continue to have in place appropriate technical and organisational measures to protect the Personal Data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and which provide a level of security

appropriate to the risk represented by the processing and the nature of the data to be protected; and

- (c) it has the legal authority to give the warranties and fulfil the undertakings set out in this Agreement; and

2.5.3 if the Data Recipient is in breach of any of its obligations under this Agreement then the Data Transferor may temporarily suspend the transfer of the Personal Data to the Data Recipient until the breach is repaired.

2.6 Where appropriate, each Party shall promptly refer to the other Party any requests, from:

2.6.1 Data Subjects in regards to

- (a) providing information under Articles 13 and 14 of the UKGDPR; and
- (b) Data Subject Access Requests under Articles 15 to 22 inclusive of the UKGDPR;

2.6.2 the Information Commissioner; and

2.6.3 any other law enforcement authority,

and to the extent it is reasonable and practical to do so, consult with the other party (at no additional cost) before responding to such request.

2.7 Each Party shall provide any assistance reasonably requested by the other Party in relation to enquiries from Data Subjects concerning Processing of their Personal Data.

2.8 The Parties shall discuss any proposal by any Party to notify the Information Commissioner and/or Data Subjects where necessary about Data Loss Events and Personal Data Breaches.

2.9 The Parties shall work together to complete any required Data Protection Impact Assessments.

2.10 The Council respectively will be the primary point of contact for Data Subjects in relation to this Agreement.

2.11 The Parties shall publish the essence of their relationship as set out in this Schedule 3.