

Ashford BID

DRAFT OPERATING AGREEMENT

Commencement Date: 1 April 2027

This agreement is between:

Spelthorne Borough Council (The agreement must be signed by the current council at the time of signing)

Council Offices, Knowle Green, Staines-upon-Thames, Surrey, United Kingdom, TW18 1XB.

and

Ashford BID

Company number tbc

[tbc]

The purpose of this agreement is to set the responsibility of the Council to collect the BID Levy on behalf of the BID Company, in the knowledge that the BID Levy forms the principal income source of the BID Company and is critical in enabling both the operation of the Company and the delivery of the arrangements contained within the BID Business Plan.

For the avoidance of doubt, prior to 1 April 2027, Spelthorne Borough Council will undertake preparatory and implementation activities in respect of this Agreement.

1. THE BID LEVY

Setting the BID Levy

1.0 Notwithstanding the Commencement Date of this Agreement, it is acknowledged that Spelthorne Borough Council officers will undertake the operational preparations for the BID Levy, including initial billing and collection arrangements, with effect from February 2027. From 1 April 2027, all such functions will be carried out by West Surrey Council.

1.1 At least two (2) months before the Commencement Date of any BID term, the BID Company shall confirm the following to the Council:

(i) the BID boundary;

(ii) the BID Levy;

(iii) BID Levy discounts (if any);

1.2 At least one (1) month, prior to the Commencement Date of any BID term (means the period specified in BID arrangements (BID Proposal) as the period for which the bid arrangements are to be in force.), and prior to the 1st April in any subsequent year, the Council shall:

- (i) calculate the BID Levy payable by each BID Levy Payer;
- (ii) confirm to the BID Company the BID Levy payable by each BID Levy Payer.

Collecting the BID Levy

1.3 As soon as reasonably practicable before the Commencement Date of any BID term, and prior to the 1 April in any subsequent year, the Council shall confirm to the BID Company (in writing) the anticipated date of the despatch of levy invoices for the chargeable period of the BID Levy and the anticipated single instalment due date.

1.4 The Council shall serve a demand notice on each BID Levy Payer throughout the BID Term, as appropriate.

1.5 The Council shall maintain a list of those BID Levy Payers who have paid the BID Levy and those BID Levy Payers who have not paid the BID Levy and shall make the list available to the BID Company for every month of any BID term.

1.6 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 Payer.

1.7 The Council shall use all reasonable endeavours to collect the BID Levy throughout the BID Term.

1.8 The Council is permitted to charge a reasonable fee for the collection and administration of the BID Levy. The agreed collection costs will be calculated as follows:

- (a) For 1st April 2027 to 31st March 2028, the collection cost will be £3,500 per annum.
- (b) For each subsequent year of the BID term, the annual collection cost will increase by a percentage, which will be denoted by the Consumer Price Index, as published by the Office for National Statistics, in the January of that year.

The agreed collection costs will form part of this agreement.

- (c) The BID Company shall pay a one-off setup and implementation charge of £9,500 for the establishment of the BID levy collection arrangements and associated software requirements.

Paying the BID Levy

1.9 The Council shall pay each invoice submitted to it by the BID Company or its appointed accountants, in full and in cleared funds, within thirty (30) days of the receipt of each invoice, a sum equal to the monies collected in that month properly credited to the Revenue Account.

1.10 All amounts payable by the Council under this agreement are subject to VAT chargeable, where applicable, net of cost of collection and refunds.

The BID Revenue Account

1.11 As soon as is reasonably practicable following the Ballot Result Date, the Council shall establish and operate the BID Revenue Account in accordance with regulations and accounting codes of practice in force from time to time and provide written confirmation of compliance to the BID Company upon request.

1.12 As soon as reasonably practicable following the Ballot Result Date, the BID Company shall provide the Council with details of its bank account into which the BID Levy shall be transferred from the BID Revenue Account.

Accounting for the BID Levy

Annually

1.13 By March 10th of each year of the BID, subject to the correct IT systems/software being set up and available/ready to use, the Council shall provide the BID Company with the annual amount of the BID levy for each BID Levy Payer.

Where, due solely to IT systems/software not being available or ready for use, the information referred to in clauses (a) and (b) has not been provided by 1 April, the Council shall, on an interim basis, use the previous financial year's BID Levy Payer list and levy amounts for billing purposes from 1 April, until such time as the correct information is available, at which point accounts shall be amended and back-billing or adjustments made as necessary, to avoid the BID being unable to operate due to lack of funds.

Monthly

1.14 Within twenty-one (21) working days of the end of each month of the BID Term, subject to the correct IT systems/software being set up and available/ready to use, the Council shall provide the BID Company with:

- (a) The BID levy billed for each BID Levy Payer;
- (b) The amount of the BID levy collected for each BID Levy Payer;
- (c) Details of BID levy payers who have not paid the BID Levy;
- (d) Details of reminder notices issued;
- (e) Details of liability orders made or applied for.

1.15 The BID Revenue Account will be subject to the normal internal & external audit arrangements of the Council. The Council will make available to the BID Company and its

appointed auditors such information as requested by the BID Company and such appointed auditors in so far as they are able to do so under legislation and or any regulation.

2. ENFORCING THE BID LEVY

2.1 The parties agree that procedures for the enforcement and recovery of the BID Levy will be as agreed with the BID Company and the Council shall comply with these enforcement procedures (where appropriate) in enforcing payment of the BID Levy against BID Levy Payers.

2.2 In the event that the Council fails to enforce payment of the BID Levy, the BID Company shall be entitled to serve an enforcement notice on the Council requesting that:

(a) the Council serves a reminder notice; or

(b) in the event that the Council has already served a reminder notice that the Council applies for a liability order against the defaulting BID Levy Payer and thereafter provide written confirmation of the action it shall take to comply with the enforcement notice.

2.3 If the Council fails to provide written confirmation of the action it is taking in relation to the enforcement notice in accordance with clause 9.2 within (21) twenty-one days of the issue of the enforcement notice, the BID Company shall be entitled to serve an appeal notice on the Strategic Director of Resources of the Council and such notice shall include:

(a) Detail the sum unpaid;

(b) Confirm that the Council has failed to use the enforcement mechanisms available to it under this agreement to recover the sum unpaid

(c) Include written notice requesting that a meeting of the BID Monitoring Group take place in order to achieve a solution and/or agree a strategy to recover the sum unpaid. Such a meeting to take place no later than 28 (twenty-eight) days from the date of the appeal notice.

3. THE BID BUSINESS PLAN

Any BID term will exist to deliver the arrangements within the applicable BID Business Plan, and this agreement will be bound by the terms of each applicable plan, and the Council shall note all contents of the BID Business Plan, including:

(a) The BID boundary.

(b) The BID Levy Rules.

4. PRIMARY CONTACTS

The primary contacts for each party will be as follows:

(a) John Rogers and Chris Norrington, the Council.

(b) [tbc](#), the BID Company.

5. SUCCESSOR AUTHORITY REVIEW

On 1st April 2027 the rights and obligations of the council under this agreement should automatically transfer to West Surrey Council without the need for further consent from the BID Company.

West Surrey Council shall have the right to review, the terms and conditions of this Agreement. Following such a review, West Surrey Council may request reasonable variations to the Agreement to ensure its continued suitability and alignment with the policies, structures, and operational requirements of West Surrey Council.

The BID Company agrees to enter good faith discussions with West Surrey Council regarding any such proposed variations. Unless otherwise agreed in writing, all other terms and conditions of this Agreement shall remain in full force and effect.

Signed by the parties (or their duly authorised representatives).

SPELTHORNE BOROUGH COUNCIL

Authorised Signatory

Ashford BID

Authorised Signatory

Dated:

Dated: