

Go Southampton, Southampton's proposed Business Improvement District

APPENDIX 2

OPERATING AND BASELINE AGREEMENTS (INCLUDING THE BID ARRANGEMENTS/LEVY RULES) AND FINANCIAL MANAGEMENT POLICIES

**OPERATING AGREEMENT (DRAFT AS OF 3RD JUNE AND UNDER
ONGOING DISCUSSION)**

Dated **xxx**

Southampton City Council
(the Council)

Southampton City Centre BID
(the BID Company)

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Operating Agreement

Dated xxx Between

- (1) **Southampton City Council** (the Council) of Civic Centre, Southampton SO14 7LY
- (2) **Southampton City Centre BID** (the BID Company) to be registered as a company limited by guarantee in England following a successful BID ballot result on 3rd November 2016

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 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 in the administration, collection and recovery of the BID Levy and otherwise in connection with its compliance with its

obligations under this Agreement and the Regulations (including without limitation the cost of setting up the financial systems for the collection of the BID Levy, its reasonable legal costs and the costs of paying its sub-contractors and/or agents in connection with the collection of the BID Levy, issuing Reminder Notices and taking enforcement action for non-payment of the BID Levy) but excluding the costs recovered by the Council in accordance with clause 8.2 and excluding the costs of delivery of the Standard Services in accordance with the Baseline Agreement

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

- (i) the total amount of 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

Applicable Laws means the laws of England and Wales and the European Union and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to Business Improvement Districts from time to time;

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 the draft Agreement annexed at Schedule 2 the final version of which is to be agreed by the parties

the BID means the Business Improvement District 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 Regulations for the operation of the BID

BID Business Plan means the plan voted for by the BID Levy Payers which sets out the objectives 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 and expenditure of the BID Levy;
- (b) other income and expenditure of the BID Company not being 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 Levy means the charge to be levied and collected within the BID area pursuant to the Regulations

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

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 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)

BID 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' shall be replaced with 'renewal ballot' and 'Alteration Proposals' has the same meaning save that 'ballot' shall be replaced with 'alteration ballot'

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

the BID Term means, subject to clause 3.2, the period of 5 years from and including 1st April 2017 up to and including 31st March 2022

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.

Data Protection Legislation means the Data Protection Act 1998 ("DPA"), and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable, the guidance and codes of practice issued by the Information Commissioner;

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

Hereditament 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

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 those class or classes of properties as identified in the BID Levy Rules which shall be exempt either from any requirement to pay the BID Levy or 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

[Funding Agreement means the agreement between the Council and Hampshire Chamber of Commerce (formerly Hampshire Enterprise Limited) dated 25 February 2015 and subsequently amended by letter, pursuant to which the Council funded the developing and bringing to ballot of BID proposals in respect of the BID]

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 Southampton City 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 or 11.8 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

the Further Reminder Notice means the notice to be served following a Reminder Notice and pursuant to Clause 8.2

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 and Management of BID Arrangements

3.1 This Agreement shall be effective from and including 1st April 2017

3.2 The BID Company shall for the BID Term for the benefit of the BID and those who live, work or carry on any activity within the BID manage and operate the BID Arrangements in accordance with:

3.2.1 the [BID Proposals, BID Business Plan and *reference other relevant documents*] attached at schedule [x];

3.2.2 the Regulations;

3.2.3 Part 4 of the Local Government Act 2003; and 3.2.4 all other Applicable Laws

and shall do so diligently, with all reasonable skill and care, allocating sufficient resources and using suitably qualified and experienced personnel.

3.2 Where the BID Company makes a decision to hold a renewal ballot in respect of the BID it shall inform the Council of such decision as soon as reasonably possible after the decision is made and in any case in sufficient time to allow the renewal ballot to take place before the end of the BID Term and the parties may propose any reasonable changes to this Agreement to be effective during any extended term of the BID and the parties shall use their reasonable endeavours to agree the changes. If a renewal ballot is held and is successful then the terms of this Agreement shall continue in full force and effect for the new term subject to any changes agreed pursuant to this clause.

4 Setting the BID Levy

4.1 By 6th March 2017 for a 1st April 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
- (iii) enter into the Baseline Agreement with the BID Company

5 The BID Revenue Account

5.1 Interest will only be paid on money in the BID Revenue Account if the Bank of England Bank Rate (formerly base rate) is 2.5% or higher and the month end credit balance is in excess of £50,000. Such interest, if any, will be paid to the BID Company as part of the BID Levy and will be calculated at Bank of England Bank Rate less 0.25%. Any overpayment made to the BID Company by the Council will attract the same interest terms.

6 Debits from the BID Revenue Account

6.1 The Council may debit directly from the BID Revenue Account:-

- (i) the Administrative Expenses; and
- (ii) an amount equal to any sums that have fallen due and are payable by the Council under the Funding Agreement so that the Council fully recovers the funding provided under the Funding Agreement; and
- (iii) the Council's reasonable costs in organising and delivering any BID ballot (regardless of when the ballot was held), alteration ballot, re-ballot or renewal ballot (all as defined in the Regulations) and the parties agree that such costs in respect of the BID ballot pursuant to which the BID was set up are [£7,000]

6.2 Notwithstanding the above provision the BID Company shall be responsible for ensuring that all VAT invoices delivered to the BID Company by the Council shall, if not debited from the BID Revenue Account, be paid within 28 days of delivery. The debits from the BID Revenue Account are exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the BID Company following delivery of a valid VAT invoice.

6.3 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 thirty days of the date of the invoice.

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 the BID Levy Payer shall be billed for the BID Levy; and
- (ii) the proposed date when the BID Levy shall first be collected (such date to be on or after the Operational Date and such date shall take into account the time it takes for the Council or its sub-contractor to receive and process payments)

7.2 Pursuant to clause 7.1(ii) the Council shall serve the Demand Notices on each BID Levy payer and thereafter shall continue to calculate the BID Levy and serve the Demand Notices throughout the BID Term

7.3 The Council shall maintain a list which identifies payment and/or non-payment of the BID Levy and shall to the extent it is permitted to do so by the Data Protection Legislation 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 carry out reviews of each Hereditament within the BID Area in accordance with its existing practices and systems and the BID Company shall provide such support as the Council may reasonably require and in the event of any change in the occupier of each

Hereditament or the merger or division of a Hereditament (or provision of an additional Hereditament) the Council 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 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 collect the BID Levy in accordance with its usual procedures for the collection of non-domestic rates

7.7 On the 1st day of every month (or where that is not a Working Day the nearest Working Day after that date) commencing on the 1st day of May 2017 the Council shall notify the BID company of the amounts credited to the BID Revenue Account during the month immediately preceding that month and of the amount of the debits attributable to that month authorised in accordance with clause 6 and within [14] days of receipt of an appropriate VAT invoice from the BID Company which shall be issued promptly shall transfer to the BID Company's own bank account the amount due (being the amount credited to the BID Revenue Account notified in accordance with this clause 7.7 less the debits net of VAT authorised under clause 6) and provide written confirmation of the sum transferred. The BID Company shall provide written acknowledgement of receipt of such monies within 14 days of receipt.

7.8 In the event of an overpayment by the Council to the BID in excess of £5,000 for a period of more than three consecutive months, the BID 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 in whole within [28]days from the 1st April 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 the Council will consider making an application to the Magistrates Court for a Liability Order to recover the unpaid sum (together with costs)

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- 8.2 In the event that the BID levy is not paid in whole within seven days of the service of the Reminder Notice in accordance with clause 8.1 then the Council shall as soon as reasonably possible 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 is 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 summons and will recover these costs from the revenue

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

9.1 In the event that the Council is not following the process for enforcement of the BID Levy pursuant to Clause 8 above, without reasonable cause, the BID Company may serve an Enforcement Notice on the Council requesting that:-

- (i) it issues a Reminder Notice; or
- (ii) a Further Reminder Notice; or
- (iii) 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 generated through any such action.
- 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 or 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:-

- (iv) detail the sum which remains unpaid;

- (v) confirm that the Council has failed to use the enforcement mechanisms available to it under this Agreement to recover the sum; and
- (vi) request a meeting take place between the Chief Executive, 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 (twenty eight) days from service of the Appeal Notice

9 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 to the extent it is permitted to do so by the Data Protection Legislation 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 any one Financial Year and on 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 (twenty eight) days prior to the date of the proposed meeting (or lesser if otherwise agreed or in cases of emergency) and provided further 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 of the BID Arrangements generally]; 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 (one) month after the date of 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 (this normally takes place in May).

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 following 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 is concerned that the BID Company has insufficient finances to meet its liabilities for that period and 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:

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

11.3.1.2 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;

- 11.3.1.3 alternative means of procuring the said services or works by third parties or increased financial funding from the BID Company;
- 11.3.1.4 alternative replacement services or works which will be acceptable to the BID Company ;
- 11.3.1.5 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:
 - 11.5.1.1 calculate the amount to be refunded to each BID Levy payer;
 - 11.5.1.2 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
 - 11.5.1.3 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 continueunless 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 Subject to clause 18, 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, recorded delivery or registered 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. The rights and remedies of the Council under this Agreement are without prejudice to its other rights and remedies including without limitation its rights and remedies under the Regulations.

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
- 14.7 The Council may without the consent of the BID Company sub-contract any or all of its obligations under this Agreement.

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 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 [Head of Economic Development and Skills] and the BID Company's *[details]* 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.

17.3 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 and Data Protection

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; 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.

18.3 Both parties shall comply with the requirements of the Data Protection Legislation in the performance of their obligations and the exercise of their rights under this Agreement.

19 Jurisdiction

The Agreement shall be governed and construed in accordance with English Law 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.

Executed as a Deed by affixing the Common Seal of
SOUTHAMPTON CITY COUNCIL in the presence of

Authorised Signatory

The Common Seal of SOUTHAMPTON CITY CENTRE BID was hereunto affixed in the presence of:

Authorised Signatory

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Operating Agreement Schedule 1 – The BID Levy Rules / Arrangements - Draft

This section sets out in further detail the technical and budgetary information relating to how the Southampton City Centre 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 Southampton City Centre BID Steering Group. The BID body will be Southampton City Centre 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 November 2016.

How will the BID be run?

The BID will be run by the Southampton City Centre BID Company.

Elections to the Board will be held at AGM and all Members of the BID Company will be eligible to run for election. The proposed Board representation is as below. The breakdown reflects that of the businesses in the BID area and representatives should come from a variety of sectors and geographical areas to ensure a representative body to lead the development of the Southampton City Centre BID:

- 5 Large Business (>50 employees), each providing 1 representative
- 5 Small Business (<50 employees), each providing 1 representative
- Up to a maximum of 2 occupiers drawn from Associate Member businesses
- Up to 2 landowners

The following Representatives shall also sit on the board:

1. A Local Authority Representative
2. Up to 2 Strategic Agency Representatives

A local ward councillor or residents association representative will also be invited to be a nonvoting member of 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: Improving the City Centre Experience, Better Marketing and Developing Our Businesses. 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 Associate 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 April 2017 to 31st March 2022. 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.

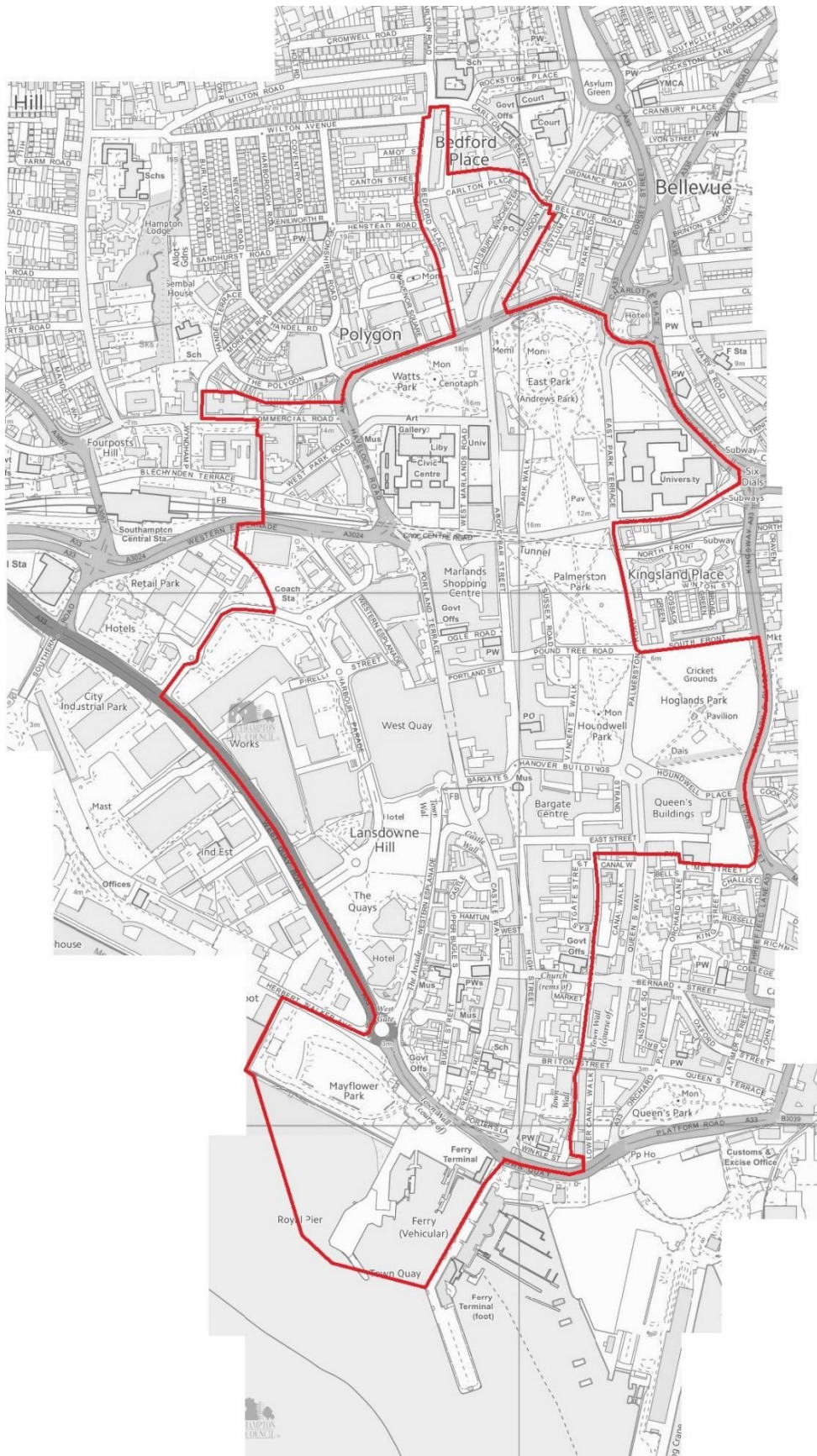
What area is covered by the proposal?

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

Above Bar Street	Market Place
Albion Place	Merchants Walk
Back of the Walls (West side)	New Road (excluding south side eastwards of Palmerston Road)
Bargate Street	Ogle Road
Bedford place - from Cumberland Place to junction with Carlton Crescent	Oriental Terrace
Bernard Street (West of jct with Back of The Walls)	Palmerston Road (excluding 1-33)
Blue Lane	Park Walk
Briton Street (west of the old Town Wall; 1, Coopers Court, Goldsmith's Court, Friary House)	Pirelli Street
Bugle Street	Porter's Lane
Canal walk (North side)	Portland Street
Carlton Crescent (33)	Portland Terrace
Carlton Place	Pound Tree Road
Castle Lane	Queen's Way (57-101; Queen's Buildings)
Castle Square	Regent Street
Castle Way	Salisbury Street
Cement Terrace	Scullards Lane
Church Lane	Simnel Street
Civic Centre Road	Spa Road
Commercial Road (1-67 odd; up to 26 even)	St Andrew Road (West Side) – from jct with New Road to Charlotte Place
Cuckoo Lane	St Georges Street
East Bargate	St Michael's Square
East Park Terrace	St Michael's Street
East Street	Strand

Eastgate Street	Sussex Road
Evans Street (West side)	The Royal Pier, Town Quay
Fitzhugh Street	Town Quay Road
Forest View	Upper Bugle Street
French Street	Vernon Walk
Gibbs Road	Vincent's Walk
Gloucester Square	Vyse Lane
Guildhall Place	Waterloo Terrace
Guildhall Square	West Bargate
Hamton Street	West Marlands Road
Hanover Buildings	West Park Road
Harbour Parade (excluding 1 – 3 odd)	West Quay Road (part as indicated on boundary map)
Havelock Road	West Street
High Street	Western Esplanade (from Toys R Us to Mayflower roundabout)
Holyrood Place	Westgate Street
Houndwell Place	Winchester Street
Kingsbridge Lane	Windsor Terrace
Lansdowne Hill	Winkle Street
Lime Street (north side)	York Buildings
London Road (1-77 odd; 2-64 even)	York Walk
Lower Banister Street	
Maddison Street	

The area covered by the proposal comprises parts of Southampton 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 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 Electoral Reform Society on behalf of Southampton City Council and will run between Monday 3rd October 2016 and Thursday 3rd November 2016. The ballot will close at 5pm on Thursday 3rd November 2016. 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?

For the purposes of determining eligibility to vote and to pay the levy, the 2010 Non-Domestic Rating List will be used for the whole of the BID's 5 year term. This will ensure clarity for businesses on what they can expect to pay. The following will not be eligible for the BID levy, or for the vote:

- Business units with a rateable value of less than £15,000
- 'Central List' properties that are not contained in the local rating list.
- Advertising rights, telephone masts, car parks & car parking places and ATMs
- 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 less than £15,000 are encouraged to voluntarily contribute and join the BID through Associate 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 £15,000 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)) except where the property is operated as a 'charity shop' (a retail space for use as defined under section 64(10) of the LGFA 88), 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 lower than the £15,000 threshold are encouraged to voluntarily contribute and join the BID through Associate Membership. This voluntary Associate Membership will also be available to businesses with properties outside of the BID Boundary but within the City Centre boundary as defined in Southampton City Council's Adopted Local Plan. 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 Associate 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 listed in the most up-to-date Non-Domestic Rating List, other than those explicitly excluded by these arrangements. For the purposes of calculating the BID Levy, except from where explicitly mentioned otherwise, the Rateable Values in the 2010 Non-Domestic Rating List will be used for the whole of the BID's 5 year term. Where a hereditament comes into the Non-Domestic Rating List post the 2017 revision of Rateable Values, and therefore does not have a value on the 2010 Non-Domestic Rating List, the hereditament's most recent Rateable Value on the Non-Domestic Rating List will be used for the purposes of calculating the BID Levy with respect to that hereditament. Occupiers and owneroccupiers of eligible hereditaments will pay the levy at the rate of 1.5% of Rateable Value per year. Occupiers and owner-occupiers of eligible hereditaments within the four main serviced areas of the City Centre; West Quay Shopping Centre, The Marlands Shopping Centre, West Quay Retail Park and Guildhall Square Arts Complex, who pay a service charge to a management company that provides significant joint place marketing and security personnel, will pay the BID Levy at a rate of 1.4% of Rateable Value.

In the first instance this is likely to generate around £1,087,500 for the BID.

The BID levy rate will be amended on an annual basis in line with inflation, at a rate to be agreed by the Southampton City Centre BID Company Board, and not exceeding 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 1.5% levy rate).

Indicative rateable value	Indicative BID levy
£15,000	£225
£20,000	£300
£50,000	£750
£100,000	£1,500
£200,000	£3,000
£500,000	£7,500
£1,000,000	£15,000

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 period 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 period 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 Southampton City Council. The Council will be responsible for collecting the BID levy on behalf of the BID Company. The BID levy will be payable in one instalment per year. Bills will be raised in March and payment will become due on 1st April each year. Enforcement measures for the collection of the BID levy will be detailed in the Operating Agreement between the BID Company and Southampton City Council.

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 costs of the BID ballot will be initially covered by Southampton City Council. If the ballot is successful, the BID will pay this money to the council over the course of its 5-year term as part of its repayment of a wider loan given for the purposes of setting up the BID. If the ballot is unsuccessful the cost will be borne by Southampton City Council. Repayment of this set-up loan is included in the BID's five-year budget.

Can the BID arrangements be altered?

Only minor amendments can be made to the BID arrangements without seeking formal approval from the BID Members. 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 Southampton City Centre BID Company Board, following consultation with Southampton City Council

OPERATING AGREEMENT SCHEDULE 2

**BASELINE AGREEMENT FOR THE PROVISION OF STANDARD SERVICES (DRAFT AS OF 3RD
JUNE AND UNDER ONGOING DISCUSSION)**

Dated

XXXXXX

**SOUTHAMPTON CITY COUNCIL
(the “Council”)**

And

**SOUTHAMPTON CITY CENTRE BID
(the “BID Company”)**

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Baseline Agreement for the Provision of Standard Services

Dated **XXXXXXX**

Between

- (1) **SOUTHAMPTON CITY COUNCIL** (the “Council”) of; and
- (2) **SOUTHAMPTON CITY CENTRE BUSINESS IMPROVEMENT DISTRICT** (the “BID Company”) registered as a company limited by guarantee in England with company number [INSERT DETAILS]

Recitals

A The Council is the local authority for the purposes of the Local Government Act 2003 and is responsible for providing the Standard Services within the BID Area

B The BID Company is responsible for the management and operation of the BID and for achieving the objectives and aspirations set out in the BID Business Plan

C The purpose of this Deed of Agreement is to set out for the avoidance of doubt

i) the Standard Services provided by the Council within the BID area

ii) the benchmark levels against which the provision of the Standard Services will be measured so as to ensure that whenever the BID Company wishes to provide any additional/complementary services these services are not services which the Council should be providing pursuant to their existing statutory duties and

iii) the mechanism for the continued monitoring and review of the Standard Services.

It is agreed:

1 Definitions

Applicable Laws means the laws of England and Wales and the European Union and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to Business Improvement Districts from time to time;

Ballot Result Date means the date upon which a successful ballot result has been declared in favour of putting in place the BID Arrangements.

Baseline Agreement sets out for the avoidance of doubt

- i) the Standard Services provided by the Council within the BID area
- ii) the benchmark levels against which the provision of the Standard Services will be measured so as to ensure that whenever the BID Company wishes to provide any additional/complementary services these services are not services which the Council should be providing pursuant to their existing statutory duties and
- iii) the mechanism for the continued monitoring and review of the Standard Services.

BID means the Business Improvement District which is managed and operated by the BID Company and has the meaning given in the Regulations

BID Area means that area within which the BID operates as shown in Schedule 1

BID Arrangements has the meaning given by section 41 of the Local Government Act 2003

BID Business Plan means the plan voted for by the BID Levy Payers which sets out the objectives of the BID.

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

BID Levy Payers means the non-domestic rate payers liable for paying the BID Levy

BID Proposal means the proposal 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' shall be replaced with 'renewal ballot' and

'Alteration Proposals' has the same meaning save that 'ballot' shall be replaced with 'alteration ballot'

BID Term means 1st April 2017 to 31st March 2022

Complementary Service(s) means those services, complementary to the Standard Services, to be delivered within the BID Area in support of the BID and secured or procured by the BID Company from the Council or other third party provider in addition to the Standard Services

Complementary Services Agreement(s) means an agreement entered into between the Council and the BID Company or such further agreements as may be entered into by the BID Company for the provision of Complementary Services

Complementary Service Provider means the provider of a Complementary Service

Designated Officer means the Council officer appointed by the Services Review Panel to liaise directly with the BID on issues relating to the performance of same Officer's Department in respect of the Standard and Complementary services

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

Operating Agreement means the agreement entered into on DATE between the Council and the BID Company which sets out various procedures for the collection, monitoring and enforcement of the BID Levy

Performance Notice means a notice served by the BID Company which:

- (a) identifies the Standard Service to which the notice relates;
- (b) states how the Standard Service is not being provided in accordance with this Agreement; and
- (c) requests that the Council liaise directly with the provider or contractor responsible for carrying out the Standard Service as soon as practicable for the purposes of securing compliance with this Agreement.

Protocols means the informal procedures to be agreed by the Council and the BID Company the purpose of which is to assist in the provision of the Standard Services

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)

Services Review Panel means the panel whose members consist of representatives from the Council [officers] and the BID Company

Standard Services means the services provided by the Council within the BID Area as set out in Schedule 2

Voluntary Contribution(s) means any contributions or funds paid or made available to the BID

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Company which do not form part of the BID Levy.

2 Statutory Authorities

2.1 This Agreement is made pursuant to section 2 of the Local Government Act 2000 and Part IV of the Local Government Act 2003 and Section 111 of the Local Government Act 1972 and all other enabling powers as set out particularly in The Business Improvement Districts (England) Regulations 2004.

3 Commencement

3.1 The terms of this Agreement shall take effect upon the date of this Agreement.

3.2 This Agreement shall determine and cease to be of any further effect in the event that:

- (a) the BID Company fails to secure approval of the Proposals, Renewal Proposals or Alteration Proposals in a ballot, renewal ballot, alteration ballot or rebalot;
- (b) the Secretary of State declares void a BID ballot, renewal ballot, alteration ballot or rebalot;
- (c) the Council exercises its veto pursuant to section 2 Local Government Act 2000 and section 51(2) of the Local Government Act 2003 and paragraph 12 of the Business Improvement District (England) Regulations 2004 and there is no successful appeal against the veto;
- (d) the BID Term expires save where the BID Company secures approval of Renewal Proposals in a renewal ballot or Alteration Proposals in an alteration ballot or Proposals in a rebalot in which event this Agreement shall continue until the expiry of the BID Term set out in the Renewal Proposals, Alteration Proposals or the Proposals set out in the rebalot provided, in relation to Renewal Proposals and Alteration Proposals, the Council and the BID Company both consent to such continuation;
- (e) the Council exercises its discretion to terminate the BID Arrangements in exercise of its powers under Regulation 18 of the Regulations; and
- (f) the Council terminates this Agreement pursuant to clause 10 of this Agreement.

4 The BID Company's Obligations

- 4.1 The BID Company agrees that it will provide the Council with any information the Council may reasonably require in relation to the carrying out of the Complementary Services.
- 4.2 In the event that the BID Company intends to change the Complementary Services the BID Company shall serve notice on the Council for the purposes of arranging a meeting of the Services Review Panel and at such a meeting the BID Company shall consult with the Council in respect of the intended change to the Complementary Services.
- 4.3 The BID Company shall ensure that where it engages a third party to deliver Complementary Services and/or delivers Complementary Services itself those Complementary Services are delivered with all reasonable skill and care to be expected of a competent and experienced provider of services similar or the same as the relevant Complementary Services and in accordance with the BID Proposal, the BID Business Plan, good industry practice and all Applicable Laws

5 The Council's Obligations

- 5.1 The Council agrees to the following:
- (a) to provide the Standard Services within the BID Area at its own cost for the duration of the BID Term; and
 - (b) not to use the BID Levy at any time to either fund or procure the Standard Services.
- 5.2 In the event that the Council is unable to continue to provide all or any part of the Standard Services within the BID Area on account of it being statutorily barred from doing so in respect of any of those Standard Services set out in Schedule 2 or it does not have sufficient funds to secure the provision of any of those Standard Services set out in Schedule 2 it shall confirm the following to the BID Company:
- (a) identify which part or parts of the Standard Services it is unable to provide;
 - (b) provide a detailed explanation of why such identified Standard Service is to be withdrawn; and
 - (c) confirm the date upon which the Council will cease to operate the identified Standard Service.
- 5.3 The Council may provide different Standard Services, delayed Standard Services or no Standard Services in the event that it is not reasonably practicable to provide the Standard Services by reason of the following:

- (a) adverse weather conditions in the BID Area;
- (b) an excessive number of pedestrians in the BID Area which would impede or inhibit the carrying out of the Standard Services;
- (c) restrictions by the Police as to the persons and/or number of persons permitted access in the BID Area;
- (d) a traffic accident or major spillage in the BID Area;
- (e) marches, parades, film and theatre premieres, festivals and visits by VIPs in or affecting the BID Area where such activities directly impede or inhibit the Standard Services from being provided;
- (f) any other reason in the BID Area or affecting the BID Area beyond the control of the Council
- (g) neither Party shall have any liability under or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement which result from circumstances beyond the reasonable control of that Party. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so. If such circumstances continue for a continuous period of more than six months, either Party may terminate this Agreement by written notice to the other Party.

provided always that the Council shall first and, if possible, provide the BID Company with reasonable notice in the event that the Council intends to provide different Standard Services, delayed Standard Services or no Standard Services as a result of any of the reasons mentioned in this clause and the Council shall, if possible, endeavour to recommence the Standard Service as soon as reasonably practicable to the same standard as it was immediately before the change.

- 5.4 The Council agrees to use reasonable endeavours to liaise with and (where practicable) put in place such partnering arrangements (of a formal or informal nature) with the Complementary Service Provider where the Complementary Services are complementary to or are of a similar nature to the Standard Services and to liaise with the Complementary Service Provider (where appropriate) as part of the Services Review Panel activities

- 5.5 The Council agrees to implement such reasonable recommendations in the carrying out or provision of the Standard Services as may be made by the Services Review Panel
- 5.6 The Council agrees in so far as it is reasonable to do so, that 3 months prior to conducting a review/reletting of a contract relating to the Standard Services it will notify the BID Company informing it of the timescales for carrying out the review/reletting and update Schedule 2 with new details within 4 weeks of these being agreed by the Services Review Panel
- 5.7 The Council agrees, pursuant to clause 5.6 above, to review the provision of the Standard Services as part of the Services Review Panel process and where appropriate and agreed with the BID Company to update Schedule 2 in accordance with the conclusions reached by the Panel
- 5.8 In the event that the Council intends to change the Standard Services significantly and permanently the Council shall consult with the BID Company no less than 3 months prior to that change, if possible, and such notice shall include:
- (a) a description of the part or parts of the Standard Services the Council intends to change;
 - (b) a detailed explanation of why the Council intends to change such Standard Services;
 - (c) the date on which the Council intends to change the Standard Services.

6 Performance Notice

- 6.1 The Council agrees not to remove or change any contractor(s) responsible for providing the Standard Services without first serving no less than 3 months' written notice on the BID Company confirming:
- (a) the removal or alteration of such contractor;
 - (b) the Standard Services which such contractor is responsible for providing; and (c) the details of the new contractor appointed to provide the Standard Services unless it is unreasonable to give such notice for example, without limitation, where the Council terminates a contract on short notice for material default or in the circumstances of the contractor's insolvency.
- 6.2 Upon receipt of a Performance Notice from the BID Company the designated officer shall inform the contractor or provider of the Standard Services of the lapse, carry out a review of the performance and the carrying out of the Standard Services by the contractor or provider of the Standard Services and to use their reasonable

endeavours to secure the improvement of the Standard Services. The Designated Officer in each case shall consult with the BID Company on the action plan arising from such review to secure such improvements, if possible, and keep the BID Company informed of the Council's actions and progress in carrying out the action plan.

7 Licence

7.1 The Council hereby grants licence to the BID Company, its agents or Complementary Service Provider to enter onto into or upon any land within the Council's Ownership or the highway, subject to the compliance by each with all Applicable Laws and any Council policies, rules or guidance (which shall be made available to the BID Company on request) applicable to such land, for the purposes of the BID Company its agents or Complementary Service Provider carrying out any function or service required or secured (or any ancillary function) for the operation of the BID provided that the Council shall be permitted to withdraw such licence in the event that in its reasonable opinion the BID Company, its agents or Complementary Service Provider act in such a manner which either contravenes health and safety requirements, or seriously damages Council property, severely prejudices the manner in which the Council can carry out its usual public services or where, in the Council's reasonable opinion, it is necessary to withdraw such licence in order to safeguard the health and safety of persons in or around the BID Area or part of the BID Area or in order to safeguard the reputation of the Council.

8 Monitoring and Review

8.1 The Council and the BID Company shall set up the Services Review Panel within 28 (twentyeight) days from the date of this Agreement the purpose of which shall be to:

- (a) review and monitor the carrying out of the Standard Services
- (b) make any reasonable recommendations required pursuant to clause 5 to the Council and the BID Company
- (c) where appropriate, review and monitor the provision of the Complementary Services and make such reasonable recommendations to the BID Company as are appropriate;
- (d) review any Performance Notices served by the BID Company and steps which should be taken to secure the proper carrying out of the Standard Services and to make

reasonable recommendations to the Council including recommendations for an improvement in performance in the carrying out of the Standard Services and recommendations for the carrying out of the Standard Services in a manner that facilitates the carrying out of Complementary Services, and to identify the need for any alteration to the Standard Services. (point 19 – outstanding point for discussion)

and unless otherwise impracticable the Council shall adopt any recommendations by the Services Review Panel under sub-clauses b, c and d above, provided that none of the recommendations would prejudice or affect the rights discretions powers duties and obligations of the Council under all statutes, byelaws statutory instruments, orders and regulations in the exercise of its functions as a local authority and provided it is in the Council's opinion otherwise reasonable to do so.

8.2 There will be meetings of the Services Review Panel (including the [Chief Executive Officer of the BID Company and the Chief Operating Officer of the Council]) every three months of the

BID Term the first meeting to take place on a date agreed on or around the first day of July 2017 and the parties shall keep detailed minutes of such meetings. Further meetings of the Services Review Panel may be arranged as may reasonably be required by the service of written notice by either party on the other, such notice to be provided no less than 28 (twentyeight) days prior to the date of the proposed meeting (or less if otherwise agreed or in cases of emergency) and provided further that the meetings referred to in this clause 28 can be dispensed with altogether upon the written agreement of the parties.

- 8.3 The Services Review Panel will identify the need for any improvement or alteration to the Standard Services. The Council will in any case formally respond to recommendations from the Service Review Panel within the standard response times, giving reasons for any decision not to implement recommendations in part or in full.

9 Joint Obligations

- 9.1 Both the Council and the BID Company agree:
- (a) for the purposes only of monitoring the Standard Services and the Complementary Services to review and take account of any representations or recommendations made to them by the Services Review Panel and take such action as may be appropriate;
 - (b) to agree appropriate Protocols as may be required in order to assist the carrying out or provision of the Standard Services (and thereafter to review them annually);
 - (c) to operate the Standard Services in accordance with such agreed Protocols.

10 Termination

- 10.1 The Council may terminate this Agreement:
- (a) in the same circumstances in which it may terminate the BID Arrangements under Regulation 18 of the Regulations;
 - (b) in the event that the BID Company commits a serious and/or irremediable breach of this Agreement; or
 - (c) in the event that the Council terminates the Operating Agreement.

11 Confidentiality

- 11.1 Subject to clause 17, 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 any

12 Notices

- 12.1 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, recorded delivery or registered 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.
- 12.2 A notice shall be deemed to have been received:
- 12.2.1 if delivered personally, at the time of delivery; and
 - 12.2.2 in the case of pre-paid first-class post, 2 Working Days from the date of posting.

information (written or oral) concerning the business affairs of the other nor any information which has been exchanged about the BID Levy Payers or about other third parties which it shall have obtained or received as a result of operating the BID. This obligation shall survive the termination or lapse of the provision of the BID.

13 Miscellaneous

- 13.1 For the avoidance of doubt where any part of this Agreement is incompatible with the Regulations or any other regulations which the First 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
- 13.2 The headings appearing in this Deed are for ease of reference only and shall not affect the construction of this Deed
- 13.3 For the avoidance of doubt the provisions of this Deed (other than those contained in this Clause) shall not have any effect until this document has been dated
- 13.4 Where reference is made to a Clause, Part, or Recital such reference (unless the context requires otherwise) is a reference to a clause, part, plan, or recital attached to this Deed
- 13.5 References to the Council include any successors to its functions as local authority
- 13.6 References to statutes, bye laws, regulations, orders, delegated legislation shall include any such instrument re-enacting or made pursuant to the same power

14 Exercise of the Council's Powers

- 14.1 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 statute byelaws statutory instruments orders and regulations in the exercise of its functions as a local authority

15 Contracts (Rights of Third Parties)

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

16 Dispute Resolution

16.1 The parties shall attempt, in good faith, to resolve any dispute promptly by negotiation which shall be conducted as follows:

16.1.1 the dispute shall be referred, by either party, first to the Council's [Head of Economic Development and Skills] and the BID Company's [details] for resolution; and

16.1.2 if the dispute cannot be resolved by agreement under clause 16.1.1 within 10 Working Days of the dispute having been referred the parties may either:

16.1.2.1 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

16.1.2.2 agree to refer the matter to an adjudicator.

16.3 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

17 Freedom of Information and Data Protection

17.1 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.

17.2 The Council is entitled to disclose information unless it believes that the information is exempt implementation of the procedures set out in this clause 16. under the Act. Exemption may

apply where, for example, information is provided in confidence; 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.

- 17.3 Both parties shall comply with the requirements of the Data Protection Legislation in the performance of their obligations and the exercise of their rights under this Agreement.

18 Jurisdiction

- 18.1 The Agreement shall be governed and construed in accordance with English Law 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.

presence of

Authorised Officer

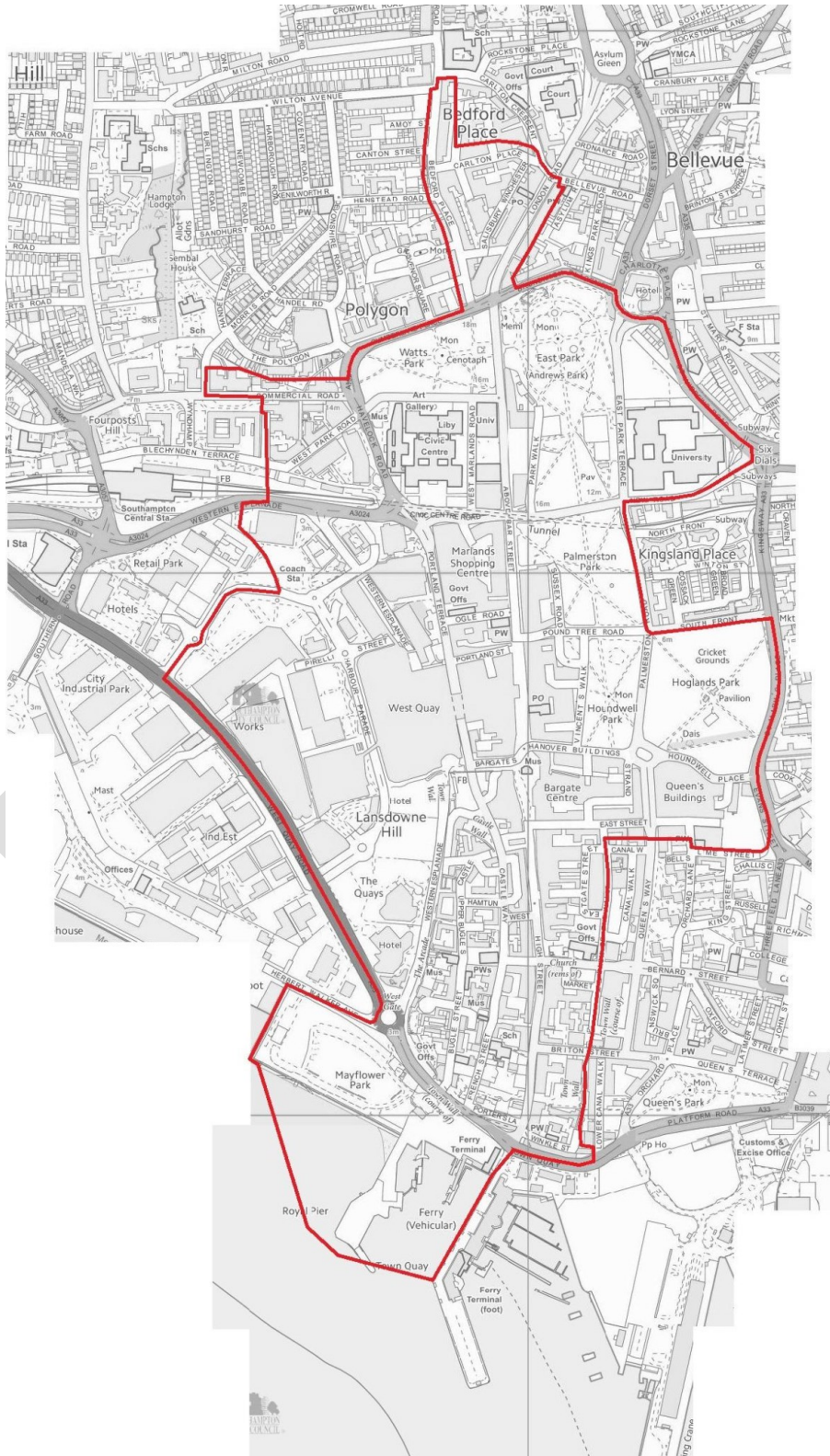
The Common Seal of SOUTHAMPTON CITY CENTRE BID
was hereunto affixed in the presence of:)

Authorised Signatory

Executed as a Deed by affixing the Common Seal of
Southampton City Council in the

BASELINE AGREEMENT SCHEDULE 1

THE BID AREA MAP



‘Hate-crime’ or offensive graffiti: within one working day of report
All other Graffiti within 5 working days of report

Graffiti found on private or business premises is be the responsibility of the owner occupier to remove.

1.4 Fly Tipping Removal

Instances of fly tipping are removed from Council land within one working day of report. Any materials found by the street cleansing teams that might help with identification of the perpetrators are passed to the Council’s Regulatory Services team for further investigation.

1.5 Fly Posting Removal

Fly posting is removed from Council property within three working days of report.

1.6 Trees and Landscape Features

Trees within the BID area are covered by the Council’s Strategic Trees Operational Risk Management System (STORMS) and included within regular inspection regimes. Safety works indicated as advisable or necessary by these inspections will be carried out by Council’s in-house arboricultural unit.

Instances of unforeseen tree failure (tree or branch fall) will be dealt with immediately if presenting a safety hazard or obstruction within the BID area, or within one week if within a non-urgent category.

Landscape features such as raised planters and shrub beds will be kept free of litter, and regularly pruned to ensure no obstruction of the highway occurs, and to enhance the feature’s natural habit and flowering potential.

1.7 Central Parks

Southampton’s five Central Parks lie at the heart of the BID area. These Grade II listed green spaces were established for the purposes of public health and recreation from 1854 onwards and remain outstanding and nationally important examples of Victorian municipal design. A substantial £3 million enhancement and refurbishment of the Parks was undertaken just prior to the millennium in partnership with the Heritage Lottery Fund.

The central parks are an extremely important attractor in terms of drawing visitors and businesses into the BID area. They are regularly cited by tourists as one of the best aspects of their visit to Southampton, and provide a 21 hectare ‘free at the point of use’ recreational and leisure area for communities living or working within the city centre. Features and facilities include seasonal bedding, carpet bedding and herbaceous border, formal shrub beds and borders, a café, a skate park, mini golf, tennis and cricket, and a range of art installations and historic monuments.

The management and maintenance of the city’s prestigious central parks are set out in detail within the current [Central Parks Management Plan](#). The specific baseline maintenance regimes currently in force are set out within Appendix 2 to this document.

2. HIGHWAYS

2.1 Regularity of Highways Inspections in the city centre core;

- Cat 1, 1a & 2 footways are inspected on a monthly basis.
- Cat 3 & 4 footways are inspected every 6 months.

The majority of the city centre is Cat 2 footway and therefore inspected monthly, however there will be a few that are inspected 6 monthly.

2.2 Any areas that are subject to enhanced inspections;

None

2.3 Intervention levels for the city centre including any enhanced interventions;

Footway Cat 1 = 40mm depth, Cat 2 = 20mm depth
Carriageway Cat 1 = 75mm depth, Cat 2 = 40mm depth.

Depth of pothole on the road (intervention level)	Depth of pothole on the pavement (intervention level)	Repair priority
7.5cm or more	4cm or more	24 hours or less
Between 4 and 7.5cm	Between 2 and 4cm	Up to 6 months, where possible within 28 days
Less than 4cm	Less than 2cm	No action at this time

If a section of the carriageway deteriorates and is less than 4cm deep it is not considered to be a pothole, the same principle applies to footways when less than 2cm deep.

2.4 Repair timescales:

For footways, signage, bollards, carriageway:

Cat 1 = 24 hours.

Cat 2 = Majority are repaired within 28 days, however this can be extended to 6 months if combined as part of a programme of works.

For CCTV traffic cameras:

Repairs are monitored for repairs within 24 hours.

Target is 90% of traffic cameras to be repaired in 24 hours.

For traffic signals:

Target is 90% of traffic signals are to be repaired in 20 hours.

Priority 1 – Urgent. This includes:

- All Out
- Dangerous - electrically or otherwise
- Signals stuck on any phase or sign face
- Push button stuck or failed
- Lamp monitoring or green conflict monitoring preventing signals switching on.
- Audible monitor, lamp fault or lamp monitor fault inhibiting Red pedestrian stage.
- Fault causing delays.
- Repeat fault previously cleared less than 14 days ago.

Promotions from Priority 2 by the Control Room Manager as considered necessary

- Attend site within 4 hours of the first notification of fault
- Restore to acceptable operation to demote fault to Priority 2 within 6 Response Hours of the first notification of fault
- Full repair within 20 Response Hours of the first notification of fault

Priority 2 - Non – Urgent

Priority 3 – Programmed and Chargeable Works.

The Provider shall carry out an annual overhaul and detailed inspection of all equipment in the inventory.

The provider shall provide lantern cleaning, bulk lamp change and adjustment etc., as follows:

- Non-LED Bulk Lamp Change
- Tungsten Halogen lamps every 6 months
- Tungsten Lamps every 12 months
- Box Sign Lamps every 12 months
- Fluorescent lamps in Variable Message Signs every 12 months □ Cleaning - every 12 months:
- Exterior of all lenses, reflectors and rear of lens when lens opens to reveal reflector
- Exterior and interior of wait panels, box signs, dot matrix variable message signs panels and fibre optic signs
- Exterior of public transport information signs
- Exterior and interior of information Display Units
- Exterior of traffic signal aspects and backing boards

2.5 Lighting maintenance regime for the city centre including emergency and nonemergency definitions and timescales;

Street lighting PS3 Rectification Periods

Type of Fault	Prescribed Maximum Period for Rectification
1 (a) An Emergency Fault;	Two (2) hoursc)
(b) As a further consequence of 1(a), where an Emergency Two (2) hours DNO attendance is required or the Service Provider	

	(NERS accredited) jointer is required to attend;	
	(c) As a further consequence of 1(a) where an Urgent Fault on a Private Cable Network only is the result;	One (1) Business Day
	(d) As a further consequence of 1(a) where a non-urgent Private Cable Network Fault only is the result;	Ten (10) Business Days multiple
	(e) As a further consequence of 1(a) where a Non-Urgent Private Cable Network Fault only is the result.	Twelve (12) Business single Days
2	(a) Urgent Fault - a Non-Emergency Fault which, without limitation, in the reasonable opinion of the Authority could lead to a more serious problem if not dealt with quickly, such as multiple outages, outages at sensitive locations, accident black spots or where non-attendance on site would damage the Authority's reputation;	Twenty Four (24) hours
	(b) As 2(a) where a or an Urgent Fault occurs on a Private Cable Network.	Forty Eight (48) hours
3	(a) Non-Emergency Faults involving the repair or replacement of components of Apparatus (including Luminaire Replacement);	Three (3) Business Days
	(b) As 3(a) where an Urgent Fault occurs on a Private Cable Network	Four (4) Business Days
	(c) As 3(a) where a multiple fault occurs on a Private Cable Network	Thirteen (13) Business Days
	(d) As 3(a) where a single fault occurs on a Private Cable Network.	Fifteen (15) Business Days
4	(a) Non-Emergency Fault involving the repair or replacement of Illuminated Traffic Bollards, Illuminated Traffic Sign, Belisha Beacons, Illuminated Pedestrian Refuge Beacons, School Crossing and Patrol Warning Lights (excluding DNO equipment.	Three (3) Business Days
	(b) Non-Emergency Fault involving the repair or replacement a complete unit of Apparatus (excluding 4 (a) above and excluding DNO equipment).	Ten (10) Business Days
	(c) Non-Emergency Fault involving the repair or replacement of a Lighting Column or Post which has a Type of Fault	Thirty (30) Business Days
	Serious Structural Defect and which is considered not to warrant an emergency response (excluding DNO equipment.)	Prescribed Maximum Period for Rectification Days
	(d) Provision of DNO connection to any of 4(a) (b) or (c) above	Days
5	A Snagging Item has not been rectified.	Twenty (20) Business Days
		Within the period specified by the Independent Certifier or a maximum of twenty (20) Business Days of issue

of the Certificate of Compliance if certification is by the Service Provider.

As a consequence of; an Prescribed Target Target Days Emergency Fault, Urgent Fault Maximum or Non-Emergency Fault where a Period for DNO cable Fault is the result, the Rectification following rectification periods; High Priority Fault Repair,

Multiple Unit Fault Repair, or Single Unit Fault Repair, shall apply.

6	<p>High Priority Fault Repair means work that is urgent but would not require attendance out of normal working hours to restore electricity supplies on a DNO cable to street furniture e.g. at the site of an accident black spot, major road junction, pedestrian crossing days facility, an area of public order concerns, a reoccurring fault. This category is to be used sparingly and reviewed on a monthly basis.</p>	<p>50% in 1 day 90% in 10 days 100% in 30 days</p>	<p>Primary Target 50% Secondary Target 90% Back stop period</p>	<p>Primary Target Days 1 day Secondary Target Days 10 days 30 days</p>
7	<p>Multiple Unit Fault Repair means a Fault on the DNO cable, for example, no current, low voltage, faulty cut-out (i.e. electrically loss of neutral and high earth impedance affecting more than one unit.</p>	<p>75% in 10 days 90% in 20 days 100% in 30 days</p>	<p>Primary Target 75% Secondary Target 90% Back Stop Period</p>	<p>Primary Target Days 10 day Secondary distressed), 20 days 30 days</p>
8	<p>Single Unit Fault Repair means a Fault on the DNO cable, for example no current, low voltage, distressed), loss of neutral and high earth impedance affecting one</p>	<p>60% in 10 days 80% in 20 days 100% in 30 days</p>	<p>Primary Target 60% Secondary Target 80% Back Stop Period 30 days</p>	<p>Primary Target Days Secondary 20 days</p>

2.6 Gritting regime

Maps are on SCC website:

<http://www.southampton.gov.uk/whereilive/mapsouthampton.aspx?layers=3%2C200%2C201%2C195&bbox=437444%2C110395%2C446140%2C114447&filters=INCLUDE%3BINCLUDE%3BINCLUDE%3BINCLUDE>

1.1.1 We grit our roads in the order below, based on traffic flows and the best use of our gritters.

1.1.2 Priority One (Main traffic routes):

To be treated as routine pre-salting, in advance of any forecast of frost, ice or snow:

- Main access routes to important industrial and large educational establishments
- Main access routes to major accident and emergency hospitals, and to important emergency service locations
- Roads used as major bus routes
- Roads passing through major shopping centres
- Other routes busy during peak traffic periods
- Major pedestrian precincts and pedestrian routes following periods of extreme freezing conditions or after snowfall
- Main cycle routes/paths following periods of extreme freezing conditions or after snowfall
- Special pedestrian routes following periods of extreme freezing conditions or after snowfall
- Bridge decks and approaches
- Majority of steep gradients
- Major transport interchanges

1.1.3 Priority Two (Other traffic routes):

To be treated only where there is prolonged and persistent frost or ice, which is expected to continue, or following snow:

- Roads near other schools
- Roads used as other bus routes
- Roads to other hospitals
- Roads to minor fire and ambulance establishments
- Roads passing through other shopping centres
- Local shopping areas
- Local footways, which link communities

1.1.4 Priority Three:

Routes that are only attended in extreme weather conditions and on an ad-hoc basis:

- Access routes to other isolated dwellings
- Residential roads
- Pedestrian precincts and busy footways
- Cycle tracks
- All other public highways
- Subway ramps and steps

1.1.5 Grit stocks

We normally have approximately 800 tonnes of salt stockpiled at City Depot. Under normal winter conditions a maximum of 40 tonnes of salt per day is required, so 800 tonnes is nearly 3 weeks' worth of stock. In addition to this stockpile, we have access to thousands of tonnes of salt that are held by the Balfour Beatty Group. We have 5 gritting vehicles with GPS technology on board to monitor and audit the road gritting process.

1.1.6 The science behind 'gritting'

Although the process is referred to as gritting it is actually salt that is used on the road surfaces. The salt lowers the freezing point on the road surface. If the road surface is below -8°C then the salt becomes ineffective. Salt needs traffic movement to turn the salt into brine (salty water) to melt the snow; the salt will not melt the snow by itself. The roads are pre-salted at up to $15\text{g}/\text{m}^2$ and post-salted at up to $30\text{g}/\text{m}^2$. A decision as to whether to pre-salt is usually taken at lunchtime and the salting normally begins around 7pm after the worst of the rush hour traffic is over and well before the expected freeze. If there is an overnight snow fall following the pre-salting, then we grit again at 4am with a heavier run of around $20\text{g}/\text{m}^2$.

The gritting routes currently cover 210 miles. Unfortunately in spite of our best efforts gritting does not always work. Heavy rain can wash the salt away. Early morning frost can be difficult to predict. It can be very hard to grit during the rush hour and ice can form before the gritting vehicles have completed their routes.

If we experience prolonged adverse weather and once the priority one and two routes are clear, we will assess and prioritise any other requests for gritting.

1.1.7 Footway gritting schedule for city centre;

See above. There is a Partnership agreement to grit certain footway routes during extended periods of extreme weather.

2.7 **Bridge washing**

Bridges are subject to:

- an annual safety check - This type of inspection consists of a cursory check for obvious deficiencies, which might lead to traffic accidents or high maintenance costs.
- a 2 year general inspection- This consists of a visual inspection of all external parts of the structure.
- a 6 year principal inspection- This level of inspection requires a close examination (within touching distance) of all inspect able parts of the structure.
- Any items requiring diving survey generally tend to be done on a four yearly basis.
- Adhoc inspections- To investigate a specific problem that has been found, including crash damage for example.

SCC do not have a routine bridge cleaning programme. We do seek to get expansion joints and drainage cleansed when works are underway, though (owing to cost etc)

there is no regular, planned cleansing. There is also no provision/requirement for aesthetic cleansing (though if offensive graffiti is found then it's reported to the cleansing team and removed ASAP).

2.8 Gully flushing

Highway Drainage and Subway Pumps

Balfour Beatty Living Place (BBLP) cleans and maintains the highways drainage systems (gulleys, linear drainage, catchpits, soakaways, chamber covers) and the pumped subway drainage systems in order to prevent flooding of the Area Network.

They coordinate, manage and deliver a surface water management plan in consultation with SCC in accordance with Government legislative requirements and Department for Environment, Food and Rural Affairs (defra) guidance. BBLP has a subcontract with EEG to do this, it is BBLP risk to keep the Area Network free from flooding.

2.9 No of CCTV cameras in city centre.

There are 29 cameras are main City Centre.

There are also another 16 which monitor external car park cameras, making a total of 45.

This is based on an area extending from the train station on the west to Charlotte Place in the East, from the top of London Road down to Town Quay.

2.10 Maintenance of CCTV cameras and including faults.

SCC monitor the CCTV (non traffic) cameras repairs are monitored on a 24 hours or 72 hour fix.

CCTV arrangements are subject to sustainability considerations.

3. CLEANSING OF MULTI-STOREY CAR PARKS (MSCPs)

3.1 Technical Definitions of Terms used within this Specification:

MSCP – common acronym for Multi - Storey Car Park

EPA – common acronym for the Environmental Protection Act (1990)

COPLR – common acronym for Defra's Code of Practice for Litter and Refuse (2006)

High Standard of Cleanliness – Grade A standard of environmental cleanliness as defined within DEFRA Code of Practice for Litter and Refuse (2006) – no litter, detritus or refuse visible to facility users

Unacceptable Standard of Cleanliness – Grade C standard of environmental cleanliness as defined within DEFRA Code of Practice for Litter and Refuse (2006) – widespread distribution of litter or refuse

Sweep – the use of a brush or dust control sweeper to remove dry debris and litter from the floor surface

Damp mop – after first sweeping, the mopping of a floor surface using a suitable solution of neutral detergent / disinfectant to remove dirt and soiling, without over wetting the floor surface

Damp wipe – using a damp cloth and suitable detergent / disinfectant / cleaner, wipe over surfaces until clean of all visible marks, staining or soiling then dry off using a dry cloth and (where appropriate) buff to a sheen.

Hard Scrub - the systematic scrubbing of a safety floor by hard brush or standard speed floor maintenance machine using the appropriate dilution of a floor maintenance product. The floor to be rinsed thoroughly after scrubbing.

Spot clean – the removal of marks, stains, graffiti, chewing gum and similar from a surface using the appropriate method and materials to avoid same becoming permanent, to a height of two metres.

Deep Clean – Deep Cleaning requires the removal of ingrained and compiled surface soiling which is hard to tackle with the techniques and equipment used in daily cleaning and will typically require the application of more aggressive cleansing techniques such as hard scrubbing or high pressure hot water steam cleaning

Surface fouling – soiling or contamination of surface by any substance, human or animal excrement or bodily fluids (including urine, vomit and blood), or graffiti.

The Contract Administrator – designated officer managing and supervising contract on behalf of Southampton City Council

The Contractor – Supplier formally appointed by Southampton City Council to deliver specified works, services and materials through the contract term

'Hate Crime' - Crimes committed against someone because of their disability, gender-identity, race, religion or belief, or sexual orientation

3.2 **General**

The following cleansing and maintenance specifications and schedules apply to those City Centre Multi Storey Car Parks currently maintained by the Street Cleansing Service under the terms of the Section's current Service Level Agreement with Parking Operations Management, and listed in Appendix 1 this document.

3.3 **Specification and schedules for cleansing of areas designated for vehicular movements and parking i.e. parking decks, ramps, vehicle lanes, and car park access / exit routes**

The required performance standard for these areas is to leave them following each scheduled maintenance visit at a 'High' standard of cleanliness as defined by COPLR.

Each MSCP will be visited on a minimum frequency of three occasions per week, generally Monday, Wednesday or Friday unless otherwise agreed with the Contract Administrator. On each occasion the vehicle decks including connecting ramps, parking bays, and vehicle and pedestrian lanes will be litter picked, swept or damp mopped as necessary to remove all litter and surface fouling. This operation should be scheduled to take place before 8.00 a.m. on and between the busier lower level car decks to minimise inconvenience to car drivers and allow the highest level of achievable access to parking bays. The outcome of this visit will be to leave the area at a High standard of cleanliness as defined by COPLR.

On a minimum frequency of every six months each MSCP will be visited by an approved mechanical sweeper (pedestrian or ride on) and all accessible areas of the car decks, ramps and vehicle and pedestrian lanes mechanically swept and all litter, leaves, and surface detritus and fouling removed. This operation must be completed before 8.00 a.m. on busier lower car decks to minimise inconvenience to car drivers and allow the greatest achievable access to parking bays. The outcome of this visit will be to leave the area at a High standard of cleanliness as defined by COPLR.

If during normal working hours any specific area within this designation falls into a condition of poor hygiene or cleanliness that detracts significantly from the amenity of the area (i.e. an Unacceptable standard of cleanliness as defined by COPLR), the contractor will make a reactive visit to the location within 2 working hours* of receiving the report and return the area to a High standard of cleanliness.

In the event of an out of hours evening or weekend emergency occurring within these areas (e.g. broken glass, sharps or potentially hazardous bodily fluids), the Duty Team should be called on the telephone number supplied, and an appropriate response will be arranged.

* Normal working hours are 7.00 to 15.30 Monday to Friday

3.4 Specification and schedules for cleansing of steps, landings and stairwells

All litter (including drug paraphernalia and rough sleeping materials) will be removed from the steps, landings and stairwell areas on a daily basis. During this operation, any surface fouling by excrement or bodily fluids of specific areas will be entirely removed and the area damp mopped with a suitable disinfectant. Where necessary, the contractor will restrict public access to the area of operation with suitable signs and barriers, and clearly indicate alternative pedestrian routes.

On two occasions per week, generally Tuesday and Friday unless otherwise agreed with the Contract Administrator all floor surfaces within the stairwell areas including steps and landings will be entirely swept and then damp mopped and dried. This operation will be organised so that at least one dry stairwell will be available to pedestrians from every car deck at any given time, and suitable signage and barriers will be erected to prevent public access to stairwells that are in process of being damp mopped, or that any not yet sufficiently dry to permit safe public access.

During each maintenance visit stairwell doors, door handles, and handrails and will be thoroughly damp wiped clean of any dirt or soiling. Handrails will be dried immediately following cleaning to provide for the safety of the car park users.

Every four months all floor surfaces within the stairwell areas including steps and landings will be deep cleaned to remove ingrained dirt or surface soiling. During this visit all stairwell walls, ceilings, windows, and ledges* will also be thoroughly damp wiped clean of any accumulated dirt or soiling. The contractor will be asked to indicate within the contract mobilisation period on which week the four monthly 'deep clean' of floor surfaces will be scheduled for each MSCP, and will only be permitted to vary this schedule with the prior agreement of the Contract Administrator.

If during normal working hours** any specific area within this designation falls into a condition of poor hygiene or cleanliness that detracts significantly from the amenity of the area (i.e. an Unacceptable standard of cleanliness as defined by COPLR) the

contractor will make a reactive visit within 2 working hours* of receiving the report and spot clean the affected area to a High standard of cleanliness.

In the event of an out of hours evening or weekend emergency (e.g. broken glass or potentially hazardous bodily fluids), the Duty Team should be called on the telephone number supplied, and an appropriate response will be arranged.

Included within this response facility is the removal of graffiti from surfaces within 5 days of report or observation (within 24 working hours of report or observation when of an offensive or 'hate-crime' nature).

* Ledges in Marlands will be cleaned on a higher frequency of once per month **
Normal working hours are 7.00 to 15.30 Monday to Friday

3.5 **Specification and schedules for cleansing of elevators and associated frontages**

All litter and debris will be swept from the elevator interiors and frontages on each car deck on a daily basis. Elevator floors will be damp mopped and dried during this operation, and any overnight fouling or soiling of lift frontages or vertical surfaces by any substance, including human excrement or bodily fluids areas will be removed and the area damp mopped or damp wiped with a suitable disinfectant. Where necessary, the contractor will restrict public access to the area of operation with suitable signs and barriers, and clearly indicate alternative routes. The area will be dried immediately following the damp mopping operation and the elevator returned to public use as soon as is safely achievable.

On one occasion per week the elevator frontages on each car deck will be swept clean and then damp mopped and dried, and all vertical metal, tiled and glass surfaces within this designation will also be damp wiped and (where appropriate) buffed or polished. This operation will be arranged so that at least one dry and clearly signed elevator will be available to pedestrians from every car deck at any given time, and suitable signage and barriers will be erected to prevent public access to an elevator that is the process of being damp mopped, or that is not yet sufficiently dry to permit safe public access.

If during normal working hours any specific area within this designation falls into a condition of poor hygiene or cleanliness that detracts significantly from the amenity of the area (i.e. an Unacceptable standard of cleanliness as defined by the EPA) the contractor will make a reactive visit within 2 working hours* of receiving the report and spot clean the affected area to a High standard of cleanliness.

In the event of an out of hours* evening or weekend emergency (e.g. broken glass or potentially hazardous bodily fluids), the Duty Team should be called on the telephone number supplied, and an appropriate response will be arranged.

Included within this response facility is the removal of graffiti from surfaces within 5 days of report or observation (within 24 working hours of report or observation when of an offensive or 'hate-crime' nature).

* Normal working hours are 7.00 to 15.30 Monday to Friday

3.6 Specification and schedules for cleansing of foyer floors, walls and tiling (including walkway on 10th floor of Marlands)

All litter and debris will be swept and removed from the MSCP foyer floors on a daily basis. Following this operation the area will be damp mopped with a suitable disinfectant to remove any overnight surface fouling by any substance including excrement or bodily fluids. As part of this operation any overnight fouling of vertical surfaces will also be removed and the area damp wiped with a suitable disinfectant. Where necessary, the contractor will restrict public access to the area of operation with suitable signs and barriers, and clearly indicate alternative routes. The area affected will be dried immediately following the damp mopping operation and returned to full public use as soon as is safely achievable.

Every sixteen weeks all vertical wall, glass and tile surfaces and ledges will be entirely damp wiped and (where appropriate) buffed or polished. This operation will be arranged so that pedestrian use and access through the foyer areas is not unduly restricted, and suitable signage and barriers will be erected to prevent public access to an area is in the process of being damp mopped, or that is not yet sufficiently dry to permit safe public access. The undertaking of this work will be notified to the Contract Administrator at least three working days before the commencement of the operation.

If during normal working hours any specific area within this designation falls into a condition of poor hygiene or cleanliness that detracts significantly from the amenity of the area (i.e. an Unacceptable standard of cleanliness as defined by COPLR) the contractor will make a reactive visit within 2 working hours* of receiving the report and spot clean the affected area to a High standard of cleanliness.

In the event of an out of hours* evening or weekend emergency (e.g. broken glass or potentially hazardous bodily fluids), the Duty Team should be called on the telephone number supplied, and an appropriate response will be arranged.

Included within this response facility is the removal of graffiti from surfaces within 5 days of report or observation (within 24 working hours of report or observation when of an offensive or 'hate-crime' nature).

* Normal working hours are 7.00 to 15.30 Monday to Friday

3.7 Specification and schedules for cleansing of light diffusers

The surfaces of all light diffusers installed within the MSCP will be thoroughly cleaned on an annual basis, with the undertaking of this work notified to the Contract Administrator at least three working days before the commencement of the operation.

Staining or fouling to specific fixtures occurring in the intervals between these visits will be removed as observed in the course of the maintenance team's routine visits, or within 48 hours of report if the area to be treated requires the application of specialist cleansing materials / working at height equipment.

3.8 Specification and schedules for cleansing of external windows and glass areas (applicable to Marlands MSCP - main foyer, cross-walk and top of stairwells, and Bedford Place MSCP - stairwells)

All external windows and areas of external glass and associated sills will be thoroughly cleaned and polished at a minimum frequency of sixteen weeks, with the undertaking of this work notified to the Contract Administrator at least three working days before the commencement of the operation.

Graffiti to external glass surfaces will be removed within 5 days of report, or within 24 hours of report or observation when of an offensive or 'hate-crime' nature).

3.9 **Clearing of blocked drains**

The Contractor shall periodically check operation of drains within MSCP premises and hand dig out and clear when necessary to facilitate free and effective drainage of the area.

3.10 **Rough Sleepers**

The Contractor should note that at times covered areas within the MSCPs may be found to be occupied by rough sleepers and / or substance abusers. On occasions when the presence of individuals or groups render the safe and effective cleaning of a certain area impossible at the time of the scheduled visit, the Contractor must notify this circumstance and the location of the problem to Car Parking Operations on the telephone number supplied.

The Contractor should allow within their quoted rates for a return visit to any specific area that cannot be safely and effectively cleaned at the time of the initial visit. This return visit should be scheduled between 10.00 a.m. and 11.30 a.m. If on the return visit the presence of rough sleepers or substance abusers continues to prevent a safe and effective cleaning operation within a specific area of the MSCP, then Car Parking Operations should again be notified of this circumstance in order that an appropriate response can be arranged in liaison with the Police Service.

3.11 **Reporting of damage and / or vandalism**

Any damage or vandalism to any MSCP structure or fixture observed by the Contractor in the course of their scheduled visits must be notified immediately to Car Parking Operations on the telephone number supplied.

3.12 **Organisation of Works**

All scheduled works are carried out to the standard and frequencies specified unless otherwise agreed by the Contract Administrator.

In addition, the Contractor organises works within Marlands Car Park to ensure an onsite presence of at least one cleaning operative for a minimum of four consecutive hours each normal working day (Mon – Fri) at no extra cost within the Contract.

3.13 **MSCPs included within SLA**

Location	Address	Car Decks	Stairwells	Elevators	Parking Spaces
Eastgate	East Gate,	10	2		
					32

	SO14 3HA		
West Park	West Park Road SO15 1GE	10	3
Marlands	Windsor Terrace, SO14 7SJ	12	6
Grosvenor	Grosvenor Square, 11 SO15 2BE		3
Bedford Place	Salisbury Street, SO15 2TZ	10	2

4. EVENTS

4.1 The Events Team at the city council consists of three officers who:

- Arrange, coordinate and facilitate events in the city
- Arrange, coordinate and facilitate filming in the city
- Arrange, coordinate and facilitate promotions in the city
- Manage and coordinate the city's Events Safety Advisory Group □ Manage the 'Visit' and 'Events' section of Discover Southampton
- Manage the @SotonEvents twitter and weekly event bulletins

4.2 Markets

In the last two years, the Events Team has had specific responsibility to coordinate and manage markets throughout the city. The weekly market in the city centre is part of this remit which consists of:

- General market every Friday
- Antiques & collectibles market on the first Saturday of each month
- Arts and craft market on the second Saturday of each month
- Artisan food market on the third Saturday of each month
- Vintage and retro market on the fourth Saturday of each month
- Best of previous specialist markets on the fifth Saturday of each month

The contract with the market operator is due to run until April 2018 with an option to extend it for an additional year.

4.3 Christmas

The events team is also responsible for the Christmas Festival which takes place in the city centre. This contract started in 2015 and is due to run until Christmas 2017.

A contract is in place for the maintenance of additional decorative lighting in the city centre until Christmas 2017. This lighting consists of:

- Pea lighting in the three trees north of the Bargate
- Pea lighting in the 12 trees in Guildhall Square
- Festoon lighting in Houndwell Park, Palmerston Park and East Park
- Festoon Lighting in West Marlands Road and Above Bar in the Cultural Quarter

4.4 City Centre Events

In the last two years, the events team has been instrumental in the successful delivery in the city centre of the ABP Half Marathon and 10k; Sky Ride; Nuffield Playing Field; Music in the City; Rainbow Run; Remembrance Service; Thai Festival; Mela Festival; Passion; and Hampshire Farmers Market and the weekly Bring it to the Bargate and Southampton Bike Night.

It would be the Council's intention to work alongside the BID to develop events, markets and the Christmas offer in the city centre further.

5. ECONOMIC DEVELOPMENT

The Economic Development Team consists of 1.5 FTE officers who are responsible for updating the Invest in Southampton website, liaison with developers and investors, promoting the city and working with external partners to maximise growth.

Operating Agreement Schedule 3 – Draft Administrative, Establishment and Maintenance Expenses

Schedule of expenses for 1st April 2017 to 31st March 2022, excluding indexing and VAT

Business Improvement District annual levy collection costs including administration and an estimate for postage and packaging	£15,432	
Annual BID Module Software Maintenance Costs	£3,600	
Additional one-off Establishment Costs in first year (cost of purchasing and setting up billing software)	BID Module	Year one set-up
	£18,000	£3,676

The total costs shown in the first line of the above table are based on estimates and accordingly the parties agree that they are indicative only and without prejudice to the Council's right to recover its actual costs in connection with the collection of the BID Levy in accordance with the Agreement

Financial Management Policies and Procedures for the Southampton City Centre Business Improvement District

Draft as at 31 May 2016

1. BID Governance: BID Board and Theme Groups

It is proposed that in addition to the BID Board (which will be elected subject to the statutes set out in the Articles of Association), there should be at least three 'Theme groups' as follows:

- 1) Better City Centre Experience
- 2) Better Marketing and Stronger Businesses
- 3) Stronger Business Community

The Theme groups will be responsible for overseeing project development, with relevant members of the BID staff team reporting to them on progress. A small staff team will be responsible for pro-actively delivering projects and will be led by the CEO/BID Manager, who will be directly accountable to the Board. Ideas for new projects should first be considered by the relevant theme group before the BID Board. Theme group membership will be open to representatives of any BID member or Associate member. Observer members may be recruited from relevant stakeholder organisations (e.g. Culture Southampton etc.). Theme groups may also decide to form smaller project groups to get individual projects off the ground. These may bring in additional members. Project groups always report to the relevant theme groups.

Theme groups will be chaired by a member of the Southampton City Centre BID Board. Reports on theme group activities will be given by Chairs at Board meetings.

It is anticipated that theme groups will meet every 6 weeks, but may be left at the discretion of the group as long as a programme of meetings is made available to the Board prior to the beginning of each financial year (1st April). The activities of the theme group will be set out in a project plan (see 3.1 below).

2. Financial checks and balances

It will be necessary for the Southampton City Centre 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 first step is to agree a number of financial principles that can inform these policies and procedures. The purpose of this paper is to lay out recommendations to the BID Board upon formation about agreement of the financial principles and the key elements to be included in the respective policies and procedures (which the Board will be asked to approve in due course). These principles need to include the roles of the Board, the Finance & General Purposes Committee and proposed theme groups for each of the BID programme areas; and underpin the procedures that will be established for:

- Budget setting – Yearly and BID term budget(s). □ Project and budget scrutiny/challenge process □ Purchase Order system.

- Payments system – computerised / on-line payments.
- Budget reporting – management accounts.

3. Recommendations – what, why, by when

3.1 Budget setting

The Board will set one-year and BID term budgets for individual theme groups at the outset of each financial year; and will retain the overall collective responsibility for approving the Business Plans of individual 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 will be supported by (1) the Finance & General Purposes Committee, which will be responsible for reviewing, and advising the Board on the Groups' proposals for overall yearly Business Plans and budgets, and (2) The 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.

More detailed procedures and processes will be developed where necessary to implement these broad principles and responsibilities in relation to setting annual and BID term budget(s):

- I. In broad terms, the main 'theme' Budgets will align to the pledges outlined in the BID proposal.
- II. The Budgets set by the Board will be informed by individual Theme Group Business Plans. However, the Board will agree and set yearly the 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 (particularly where the sum of the proposals made in the draft Business Plans exceeds the total funding available).
- III. Business Plans to be produced by each Theme Group January / early- February each year for consideration initially by the Finance & General Purposes Committee, and then at the March Board – which will set budgets for the forthcoming year.

3.2 Project scrutiny process

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.

Whenever Theme Groups want to commission/contract items of expenditure, they will also be required to comply with formal procurement processes that will need to include some basic audit controls and safeguards; including formal delegation levels. The detailed procedures will establish overall delegation levels below which Theme Groups can authorise expenditure. Expenditure above that set level will be subject to independent scrutiny and/or approval by the Finance & General Purposes Committee – which will also periodically provide an element of independent scrutiny, challenge and advice in respect of both individual Project and Theme financial risks and expenditure.

The Finance & General Purposes Committee may provide feedback on any issues and concerns to the relevant Theme Group, auditors, and/or the Board. The detailed written financial procedures will include detail about the Project Scrutiny Process to be put in place and will formalise the responsibilities and levels of delegated authority to approve expenditure of each body. These processes and procedures will broadly include:

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 2 verbal quotes for expenditure over £500 and less than £2000.
- Obtain at least three written quotes for expenditure of £2000 or more, but less than £10,000. Approval of BID Manager also requested for expenditure above £2000.
- 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 judge that further information and/or strategic authority from the Board is required.
- Authorise invoices related to their areas of responsibility prior to forwarding for payment.

II. Project Scrutiny and Approvals Process (for Finance & General Purposes Committee)

- The Finance & General Purposes Committee will undertake an independent Project Scrutiny and Approvals Process for all 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 in February/March of each year 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), which will similarly be informed by independent scrutiny from the Finance & General Purposes Committee, which will meet regularly during the financial year, in order to scrutinise the project development plans as soon as is practicable; and it will / 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:

- The Committee will be responsible for regularly independently 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 will draw attention to any potential matters of concern to the Theme Groups and/or Board.

- 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.

3.3 Purchase Order system.

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

- I. System will need to complement the 'Authorisation/Approvals Procedure' and other controls
- II. Method adopted will need to provide a level of certainty re projected expenditure and improve the level of forward control.
- III. System will need to require officers to obtain a Purchase Order number prior to placing an order.

3.4 Payments system

Computerised / on-line payments will be used. A procedure will need to be written and agreed, the basics of which will include:

- 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. 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.
- III. Assistant to enter payments on-line but authorisation will be required from BID Manager or Financial Manager before payments are released from bank account.
- IV. Quarterly a meeting will 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.

3.5 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

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.

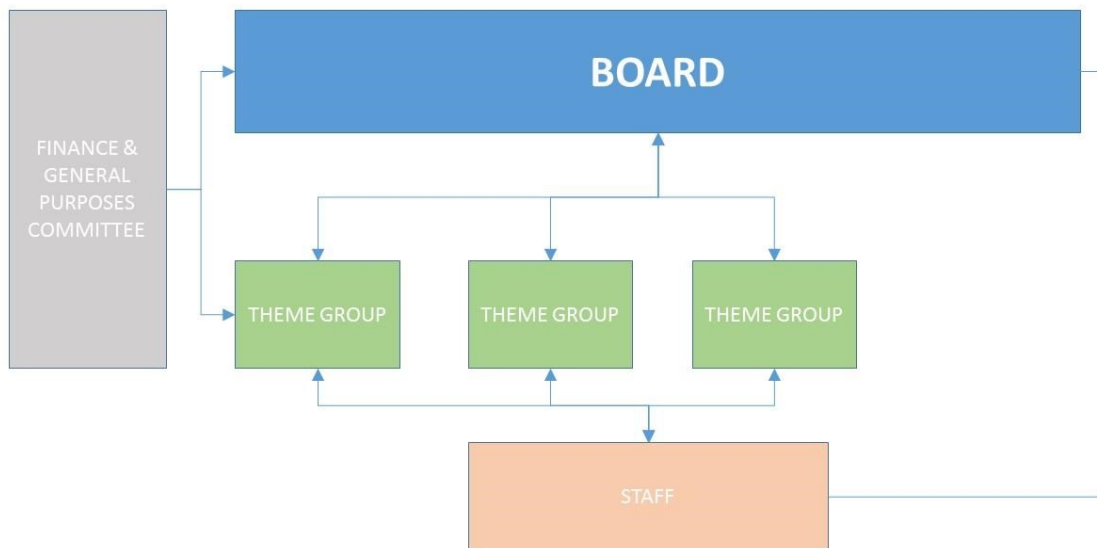


Figure 1: Schematic of the basic organisational structure