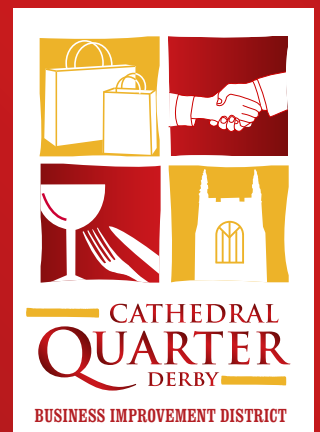


BID Business Plan 2008 to 2013



Vote 'Yes'

to unlock the potential of the
Derby Cathedral Quarter through a
Business Improvement District



So far the following businesses and organisations are pleased to be associated with and to express their support for the Cathedral Quarter BID proposal:

Acropolis Coffee Bar	KFC
Aga	Ladbrokes
Anderson Electrical	La Tasca
Anglian Windows	Le Bistro Pierre
Ark Clothing	Leek United Building Society
Ashleys Alterations	Limeys
Barracuda	Little Frankies
Bay Tree	Lydia by Limeys
Benjy's Cafe	Macqueen
Birds Confectioners	Magistrates Court
Bishops Blaise	Michael Hall Design Jewellery
Blessington Carriage	Moody and Woolley Solicitors
Boxall Brown and Jones	Nandos
Britannia Building Society	O'Brien's Irish Sandwich Bar
Café Nero	Old Silk Mill
Cancer Research UK	Optimum
Canopy	Phoenix Enterprises
City Centre Management	Pizza Express
Cityscape	Playtime Multimedia
Clarks	Post Office
Clowes Development	Quad
Corridor Menswear	Q Gallery
Cosmetics and Co	Revolution
Derby Cathedral Centre	Rothera Goodwin
Derby Cathedral Offices	Ruby Shoesday
Derby City Council	Sally Montague Hair Group
DCC Assembly Rooms	Santanda
DCC Museum and Art Gallery	Scenario Men and Shoes
Derby Church House	Scenario Women
Derby College	Scenta Flora
Derby Dance Centre	Slug and Lettuce
Derby Guildhall	Superdrug
Derby Sony Centre	TEK Personnel Consultants Ltd
Don Millers	Thai Dusit
Ethos	The Country Man
Eye Candy Hair Salon	The Glass House
Finesse Hotel Group	Thorntons
Flint Bishop	Tonic
Foulds and Sons	Tregoning Gallery
Fraiche	University of Derby
Frank Innes Estate Agents	Venture Gallery
Giorgio Reggiani	Walkabout Inn
Gordon Harwood Computers	Wesley Owen Books
Harper Resourcing	WE Watts Jewellers
Haze	Westfield
HL Brown & Son Ltd	Yates
H Samuel Ltd	Ye Old Dolphin
Interior Options	Your Move
JH Powell Solicitors	Zizzi
Kara	

This Business Plan provides you with all the information you need to make your judgement about the BID. We very much hope that, once you have studied this document, we will be able to count on your support too.

A set of definitions for terms used throughout this document is contained in Appendix 1.

Business Improvement District

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1. Foreword

In preparing this business plan we have developed a range of practical initiatives that we believe will make a positive difference to your bottom line as a business in Derby Cathedral Quarter. This plan has been created by business people like you, with a wide range of business experience, representing your interests on the Board of the Cathedral Quarter Company.

We have addressed issues such as increasing the awareness of what the Cathedral Quarter has to offer, facilitating access to it and then raising the attractiveness and appeal of it once people have arrived.

Derby is undergoing tremendous change and you may question why we need a business improvement district when things are on the up. It's easy to forget the pressures that Derby as a whole is under from outside factors such as changing lifestyles, increased mobility, aggressive competitors, greater customer choice and internet shopping. Only those centres able to offer a pleasant experience and good quality customer care are going to thrive in the future.

Our competitors are not sitting back; new investment in Nottingham and Birmingham are all set to impact on Derby's retail catchment, whilst out of town centres with good access and free parking like Meadowhall are continuing to expand. Specifically in Derby, the major investment in the new Westfield shopping centre will attract considerable numbers of additional shoppers and gives us in the Cathedral Quarter a great opportunity to serve them as well and to benefit all the businesses in the quarter.

This BID Business Plan sets out to establish standards and a shopping environment for the Cathedral Quarter that will complement and work alongside the programme of investment in the physical infrastructure of the city centre. This physical plan is coordinated by Derby Cityscape working closely with the Derby City Council and developers. Considerable progress is already being made on this infrastructure. The BID will enable us to make the most of these new opportunities.

We feel that the investment we are seeking from businesses in the BID is modest in relation to what can be achieved. For the smallest business in the business improvement district, the daily cost is equivalent to a postage stamp and even for the very largest business the daily cost is less than the price of a single cinema ticket.

Our cumulative investment will provide a business-driven focus to ensure essential improvements to the Cathedral Quarter product and a means of promoting that product better. This investment will also set standards in the city centre with a budget, over the five year BID lifetime of over £1 million.

This is a realistic plan with realistic targets at a realistic cost. It is a chance for the Cathedral Quarter to set standards, not follow them, so don't let this unique opportunity slip by. We urge you to look carefully at the proposal and to give it your full support at the formal BID vote in November.

Chris Brown
Chairman of the Cathedral Quarter Company Limited

2. Executive Summary

BID background

Business improvement districts are created by businesses and organisations which come together to collaborate on initiatives that improve the location where they trade or do business. Business improvement districts are driven by participating businesses - who work together to draw up a business plan which is voted on and, if agreed, is then funded through a levy based on business rate payments.

This levy is collected by the council and paid directly to the business improvement district company: the Cathedral Quarter Company Limited (CQCL). CQCL is a not for profit company which will be accountable to the businesses in the Quarter to manage the business improvement district business plan. CQCL builds on the successful City Centre Management organisation.

What does the business improvement district mean for Derby Cathedral Quarter?

We are creating a business-led programme of investment to tackle issues identified by businesses with the aim of creating more profitable businesses in a positive trading environment. To achieve this, a BID levy of 1.5% of rateable value is proposed, rising in line with inflation each year for five years.

The business improvement district is at the heart of Derby city centre and covers the historic Cathedral Quarter as well as the main tourism and cultural attractions, the heart of the entertainment activities and the main retail areas outside Westfield Shopping Centre.

The vision

Through this business-led programme of investment our vision is:

‘To establish the Cathedral Quarter as a destination which offers specialist quality retail, a diverse range of quality leisure and cultural activity and established respected professional services in an attractive historical setting’.

Strategic objectives

The programme of investment will be delivered through the five strategic objectives and their related projects.

- to promote the cathedral quarter –
- to improve access –
- to encourage longer stays –
- to strengthen safety and security –
- to project manage, administer and widen opportunities -

Costs and funding

The budgeted income over the five year period of the BID is approximately £1.25M. The yearly income will be made up of some £180,000 from the levy revenues and a sum averaging about £60,000 from voluntary private and public sector contributions.

3. What is a Business Improvement District?

A Business Improvement District (BID) is a precisely defined geographical area within which the businesses have voted to invest collectively in local improvements to enhance their trading environment.

BIDs were enabled by parliament through the Business Improvement Districts (England) Regulations 2004. This legislation was based on the experience of some twenty years of successful BID activity in America and Canada. Since 2004, over 50 BIDs have been proposed and approved by business communities in England and Wales. These include Coventry, Bristol, Rugby, Birmingham, Bedford and Lincoln and 11 London boroughs. There are now a number of BID areas which have been operating for more than two years and have already brought significant improvements to the trading environment of the businesses based in these locations. Further details are available on the official National BIDs Advisory Service web site: www.ukbids.org

The lifetime of the BID is prescribed by the Regulations and is currently set at no more than 5 years. It is possible for a BID to be extended by proposing a new Business Plan at the end of the BID lifetime for a fresh formal vote by the businesses.

The purposes of a BID are to provide new or expanded works and services or environmental enhancements within the prescribed BID area, funded via a BID Levy charge. This charge is payable by non-domestic rate payers and will be collected by the Council in much the same way as business rates. The manner in which the BID Levy charge is calculated is further set out in Section 11.

All works and services will be contracted by Cathedral Quarter Company Limited, the BID body for the BID Area. The objectives and aspirations of the Cathedral Quarter BID are set out in this BID Business Plan. All services/improvements will be additional to those already provided by Derby City Council.

The vote

In order for the proposals set out in this Business Plan to go ahead, more than 50 per cent of business ratepayers who vote have to vote 'yes'. Those in favour also have to represent at least 50 per cent of the rateable value in the business improvement district. If these two criteria are met, the business plan is activated and all businesses in the area concerned will be required to pay the levy.

The persons entitled to vote, and be liable for the levy, are the ratepayers of non domestic premises in the business improvement district. Properties with a rateable value of less than £2,000 will be excluded from the vote and levy.

The council's returning officer will be the ballot holder for the business improvement district vote. Details of voting procedures and how you can confirm persons entitled to vote can be found by contacting Derby City Council's Assistant Director, Democratic Services, Steve Dunning. Phone 01332 255462 e-mail steve.dunning@derby.gov.uk.

Alteration of arrangements

The business improvement district, its boundaries, business plan and the levy percentage cannot be altered without an alteration ballot. Although its board can adjust projects and spend as they feel appropriate, provided the basic tenants and budgets are not compromised.

The levy

A levy of 1.5 per cent of rateable value is proposed. A 1.5 per cent levy on every business's rateable value will generate some £960,000 in ring fenced funding over the life of the BID. This will be used to fund the projects identified in this business plan.

Duration

Our proposal is for the Cathedral Quarter business improvement district to operate for five years. After this, it can be extended or renewed – but only after being subject to a re-endorsement vote.

Timescales

- Establish Register of Businesses as specified in BID proposal: June 2007
- Notice by BID Proposer to Billing Authority & to Secretary of State of intention to hold ballot: 30 July 2007
- Billing authority formally requests Ballot Holder to hold ballot: 25 September 2007
- Letter to business ratepayers to give information about the ballot and identify named person to receive ballot paper: 2 October 2007
- Notice of Ballot to voters: 16 October 2007
- Issue of Ballot papers: 30 October 2007
- Last date to appoint a proxy: 16 November 2007
- Replacement of lost and spoilt ballot papers: from 22 November 2007
- **Ballot day (up to 5 pm): 28 November 2007**
- Count and announcement of result: 29 November 2007
- BID company starts preparation and contractual arrangements for delivery of services 1st Dec 2007
- BID additional service delivery commences 1st March 2008.

Everyone in the Cathedral Quarter business improvement district area will benefit from the BID initiatives.

4. Why does Derby Cathedral Quarter need a BID?

The Cathedral Quarter BID initiative is an integral element of the Derby Cityscape master plan for the development of Derby. Over the last couple of years, significant parts of this master plan have started coming to fruition and are beginning to deliver major benefits. These include the £10.4M development of Quad Arts and Media Centre in Market Place opening in Spring 2008, the installation of the Big Screen also in Market Place, the £20M redevelopment of the former police station in Full Street, the £3.8M redesign of Cathedral Green underway, the £16M redevelopment of the former Prince's Supermarket into retail premises, apartments and offices for completion in 2009, as well as, in Cathedral Road, construction of major new office buildings on the former Sixt Kenning vehicle hire site and the £15M development of 60,000 square feet of offices in City Gate House.

In addition to this formidable list, several individual businesses have chosen to establish or improve their trading presence in the CQ area. These include: Gordon Harwood Computers, Buddha Bar and B&O in Queen Street; Graze Restaurant, Castle Home Lettings, comprehensive refurbishment of former Fat Cat (Twenty) relaunching as Pitcher and Piano in Friar Gate; and the £3.8M investment to convert the old police museum in St Mary's Gate into a new 38 room five star Finesse Hotel opening in December 2007.

All this amounts to a sizeable 'head of economic steam' building up in the Cathedral Quarter. The challenge taken up by the BID is to enable all the businesses in the area to maximise their take from this very positive level of economic activity.

Competition between centres of retail activity, specially neighbouring cities, has increased and is set to increase further. Within Derby, the £340M investment in the new Westfield Centre will bring significant benefits for the city overall but, if seen in isolation, it could pose a threat to retail activity within the Cathedral Quarter. In fact, this major investment also brings major new opportunities for all businesses within the Cathedral Quarter. Firstly, Westfield will attract considerable increases in the number of shoppers and the Cathedral Quarter business could increase their own trading and tap into this larger number by positioning their offer to be complementary to that provided in the shopping centre but differentiated from it. Secondly, the Westfield development is enabling real improvements in access and car parking facilities to the city centre and these will be usefully exploited by Cathedral Quarter shoppers as well.

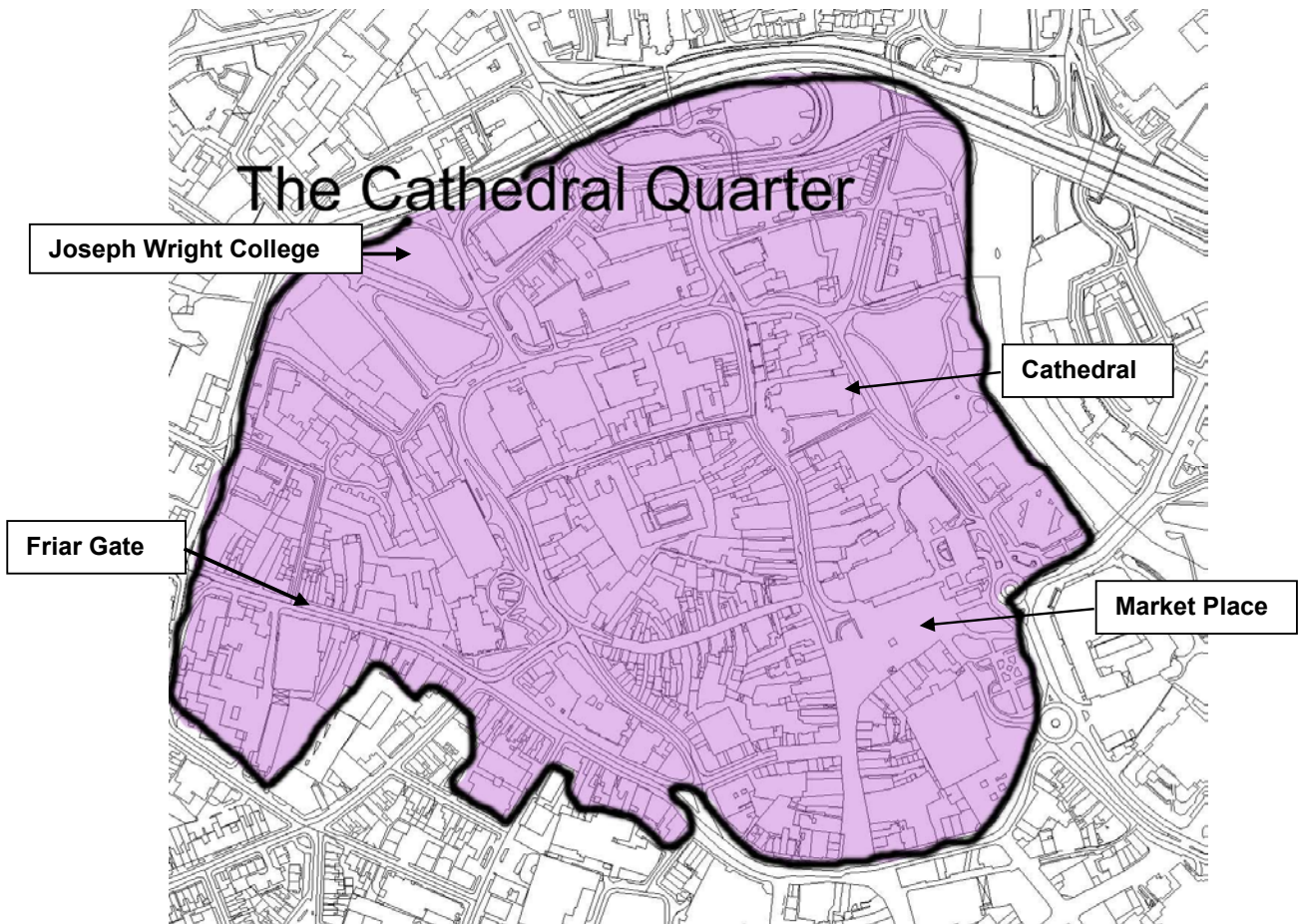
The Cathedral Quarter business improvement district will bring a new dimension to activity and investment into the Derby city centre by complementing the retail offer of the new Westfield Centre..

This unique and impressive blend makes Derby a rising star, with the potential to be a major player in the East Midlands.

Now, at a crucial time in Derby's development, we can use the business improvement district opportunity to make Derby's mark as one of Britain's great historic cities. Not enough people know that Derby is a great city.

Through the business improvement district programme, we aim to create a business led programme of investment throughout the Cathedral Quarter area with the aim of creating a positive trading environment and developing the area as a key destination for visitors who want to stay, return and spend money.

5. Where will the Derby Cathedral Quarter BID operate?



A full list of streets within the BID area is shown in Appendix 2.

All non-domestic hereditaments within the BID area will, if the BID is approved, be liable for the BID levy (as defined in section 11). The BID covers those businesses, whose rateable value is greater than £2,000. Thus banks, building societies, car parks, Council facilities, restaurants, clubs and pubs, estate agents, leisure operators, recruitment agents, retail outlets, solicitors, hotels, museums, transport and travel agents are all included within the BID and will contribute to the BID's collective funding and activities flowing from the combined budget.

6. Baseline Services provided by Derby City Council

Council's Support for Cathedral Quarter BID

The council fully supports the Cathedral Quarter BID. In particular, it endorses the fundamental principle of additionality within the BID by agreeing to maintain the provision of existing services from the Council to businesses at their current level across the Cathedral Quarter area. Thus, in line with BID legislation, BID services within the Cathedral Quarter will be additional to (not in substitution for) those already provided by the Council.

The Council's commitment to the Cathedral Quarter BID and the working relationships between the Council and CQCL are set out in complementary documents agreed between the Council and CQCL:

- A Memorandum of Understanding which defines the working relationship between the Council and CQCL and sets out the Council's Operational Support to the BID on a number of specific issues
- A set of Baseline Agreements, each defining the benchmark for a specific service provided by the Council and other agencies to the businesses in the area

Council's Vision for the BID

Beyond its clear commitments set out in the Memorandum of Understanding, the Council welcomes the opportunity offered by the BID disciplines to develop a stronger and more dynamic partnership between the Council itself and Cathedral Quarter businesses. The Council intends that this forward looking evolution of its relationship with businesses should take shape along the following lines during the five year BID period:

- Establishing a serious dialogue with CQ businesses on issues that can promote a stronger trading environment for them.
- Exploring more effective means of delivering council services to businesses. This will include more cohesive ways of tailoring and delivering specific services to the CQ area as well as making better use of the internet.

Council Services for Business

Businesses will continue to benefit from all the standard council services provided for the benefit of all stakeholders in the city (cleaning, lighting, access, safety, maintenance and public amenities). In addition, the Council delivers a wide range of services specifically for businesses:

Land and premises

Grants and loans

Planning

Advice for businesses

Business Information Service

Inward Investment

Accommodation, venues and transport

Licensing

Trading Standards and Consumer Advice

Environmental Health and Safety

Commercial Waste and recycling

Business Rates

Tendering for Council business

Business Continuity Planning

Locate in Derby: a one-stop shop service for companies looking to expand or relocate within Derby.

Other Agencies: close cooperation with other organisations in Derby to support business. These include: Derby Cityscape, East Midlands Development Agency, Derby City Partnership, Derbyshire Chamber and Business Link.

Details on all these services are provided on the dedicated Business pages of the Council's web site.

Individual Baseline Statements

In full support of the above commitments, Heads of Service within the Council have drawn up Baseline Statements on the specific services they are responsible for. These documents define the benchmarks for the provision of these services and how these will be measured. The Council attaches particular importance to the incorporation of the Best Value and Performance Improvement (BVPI) principles and measures within all the Baseline Statements.

The Baseline Services are defined below:

- Public Access (Car parking, park & ride, street parking, bicycle facilities...)
- Street Cleansing (waste collection, trade waste, fly posting, graffiti removal, street furniture maintenance, gully emptying)
- Street Lighting
- Highways Maintenance
- Community Safety & Policing
- Markets management (City market, Christmas market, Continental market, Farmers' markets...)
- Disabled Access
- Grounds/Trees Maintenance
- Trading Standards
- City Centre Management
- Christmas Lighting
- Tourist Information
- Police

The process of having created the baseline agreements has already proved valuable to both the service providers and the BID company. The development of these partnerships and the additional focus on the services provided in the area, will give tangible benefits over and above those derived from the projects outlined below.

Council's Operational Support for Cathedral Quarter BID

The Council's support for the BID will take practical shape in the following specific ways:

- Conducting, through the council's Democratic Services, the formal BID vote in accordance with current BID legislation and procedures
- Arranging for all council hereditaments within the CQ BID area with a liability to business rates area to vote Yes in the formal BID vote
- Assuming a positive outcome to the BID vote, collecting the BID levy defined in the BID Business Plan from CQ businesses and transferring the levy sums direct

to the Cathedral Quarter Company Limited. The Council proposes to make a nominal charge for the BID levy collection and will transfer the levy sums to CQCL within 30 days of collecting it

- Continuing to provide a Councillor from the Cabinet to sit as a Director on the CQCL Board (Form 288)
- Continuing to provide a senior council officer to act as adviser to the CQCL Board and to provide a business-focussed dynamic link on all BID matters with senior Council staff
- Paying the appropriate BID levy set out in the Business Plan in respect of all its own hereditaments within the CQ area. Note: at a 1.5% levy, this would amount to approximately £22,000 per year

Monitoring and Review

The Council is committed to the regular monitoring of the operation of the BID Operating Agreement and reviewing its effectiveness in conjunction with CQCL. This will be carried out as follows:

- An annual monitoring of each of the specific services for which a Baseline Statement is shown above. This will be led by the respective Head of Service who will provide an account to CQCL of how the service commitments have been actually delivered during the period, the BVPI outturn against target, actions in hand to remedy any shortfall and scope to improve the service delivery
- An annual review of the overall effectiveness of the Operating Agreement. This will be led by the Cabinet member with responsibility for the BID and will reflect the Cabinet's commitment to address any shortfalls and propose measures to evolve the partnership to the mutual benefit of the Council and CQCL. These reviews will be scheduled to best effect for the Council's and CQCL's yearly budgeting cycles. These reviews should be conducted in line with the Council's own Best Value Reviews.

Derbyshire Police baseline agreements

Negotiations are currently under way with the Derbyshire Constabulary to arrange for a baseline agreement to be prepared which covers the level of police service provided to the area. It is intended that the partnership developed between the Derbyshire Constabulary and the Cathedral Quarter Co Ltd will be similar to that with CQCL has with the Derby City Council, encouraging a more focussed approach to the monitoring and development of the services and resources to the area to ensure additionality of the BID and best value practise of existing resources.

7. The Research and Consultation Process

Background

The BID has evolved from one of the widest ranging research and consultation projects ever undertaken in Derby. It was conducted by independent, local consultants, New Horizon Ltd over the past six months.

Who was involved?

The research targeted key groups:

- Businesses in the proposed BID area. 380 businesses were asked to complete questionnaires seeking their opinions on a variety of issues. Over 40% participated in detailed one to one interviews
- Consumers currently using the Cathedral Quarter area during the day time. 150 individual on street surveys were conducted with a further 150 surveys being undertaken across the city centre as a whole
- Consumers currently using the Cathedral Quarter area during the evening were also sampled with a further 150 individual on-street surveys
- A representative sample of consumers within the city centre's catchment area who choose never or rarely visit Derby were contacted and their reasons behind their failure to visit the city explored
- Employees and students working and studying in the BID area responded to individual questionnaires about their perceptions of the Cathedral Quarter and their future requirements of it as place to spend time and money

What were the aims of the research?

The objective of the research was to:

- Identify the key issues which directly impact upon the businesses in the area and to develop and achieve remedies to them that help businesses realise their own internal objectives
- Understand current perceptions of the Cathedral Quarter and identify those issues which would effect how long people stay in the area and how much they might spend and then generate solutions to them
- Identify what factors deter people from coming to the city centre and what would increase the ability of the Cathedral Quarter to gain more market share
- Appreciate the views of people who work and study in the area on a daily basis and what might encourage others to come the area to work or spend more time there

Research results

Street surveys highlight that the Derby has a very loyal and local audience with 85% of people visiting the Cathedral Quarter, knowing Derby 'forever', with **shopping being the most important single reason for visiting the area.**

The overwhelming view of the businesses was that **promotion of the area** to attract more visitors from further away and therefore growth of their customer base would be key to their future success. Making it an easier place to get to and negotiating the quarter through **improved signage** was stated as the single most important factor.

Business also regarded **events and entertainment in the streets** as being an important factor in not only attracting people to the area more frequently but also encouraging them to stay longer once they had arrived.

This has to be coupled with changing perceptions of people who rarely or never visit Derby, that **car access and parking** is more difficult and more expensive in comparison to other towns.

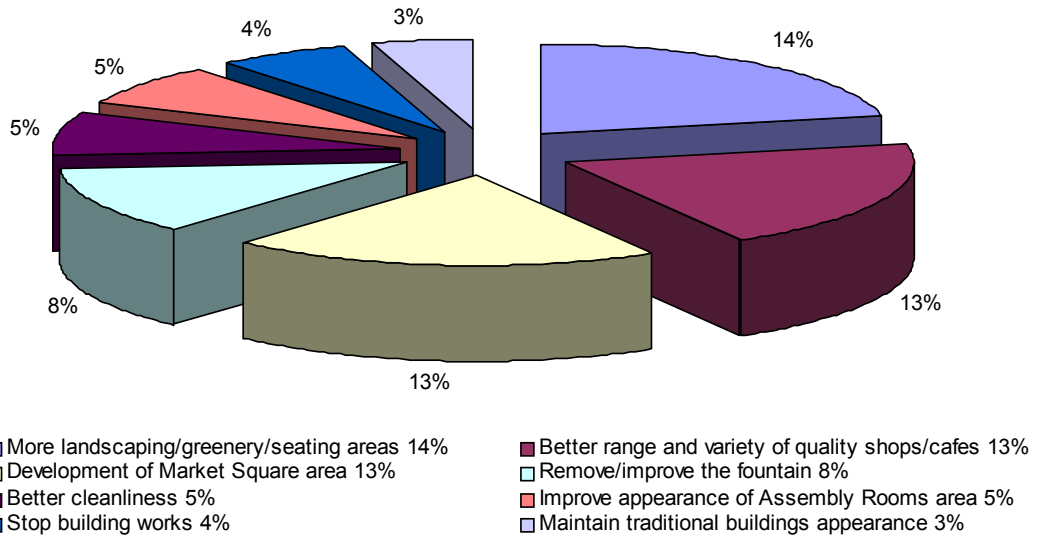
More **landscaping, greenery and seating**, better **range and variety of quality shops and cafes**, combined with the development of the Market Place were regarded as the most important calls to action by the regular visitor to the area. The single most unsatisfactory physical aspect of the Cathedral Quarter was the lack and state of public toilet provision. Issues such as cleaning and safety were not regarded as key areas for improvement by daytime visitors and businesses in the area.

New businesses have moved into the area and research shows that specialist and quality retailing is regarded as one of the area's key strengths. However the clear demand for an even greater range of quality shops was also echoed through the evening street survey with interviewees wanting a greater range, quality and variety of leisure options.

Businesses and visitors regard the **historical nature of the Cathedral Quarter** as one of the key strengths of the area and many voiced a desire to see a continuous drive for improvement to the public realm and physical appearance of certain parts of the area to interface with the quality generated elsewhere in the city centre.

On street survey

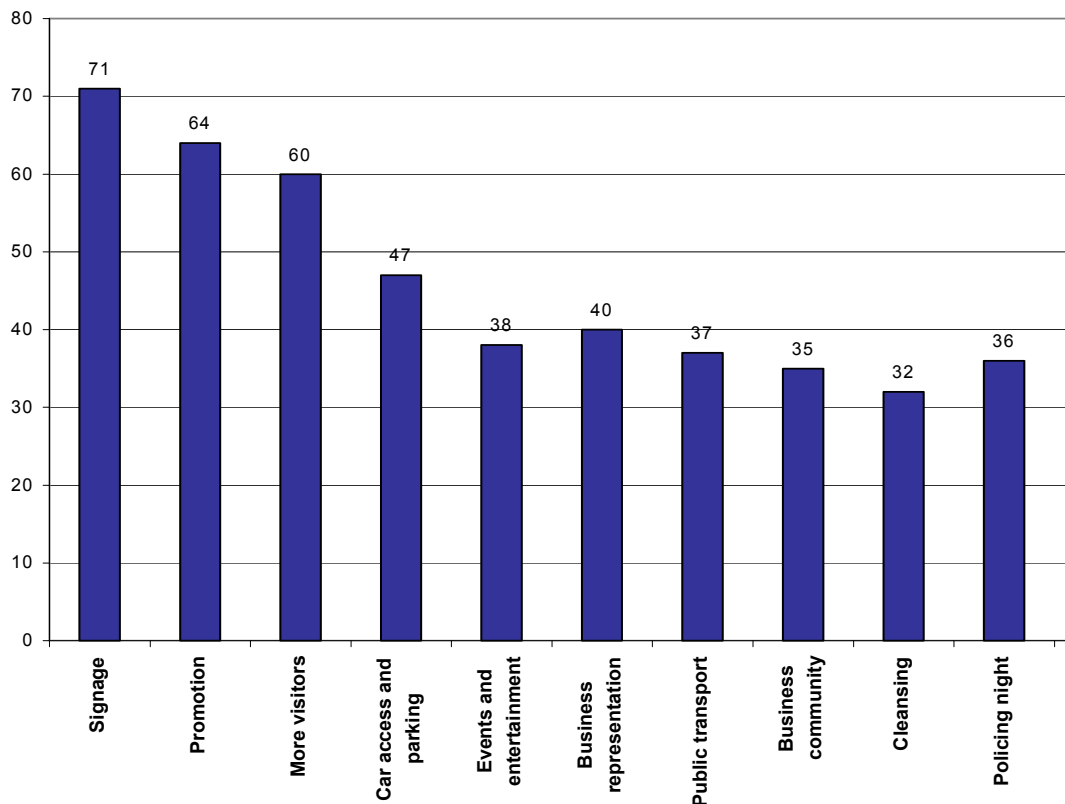
Suggestions for improvements expressed as a percentage.



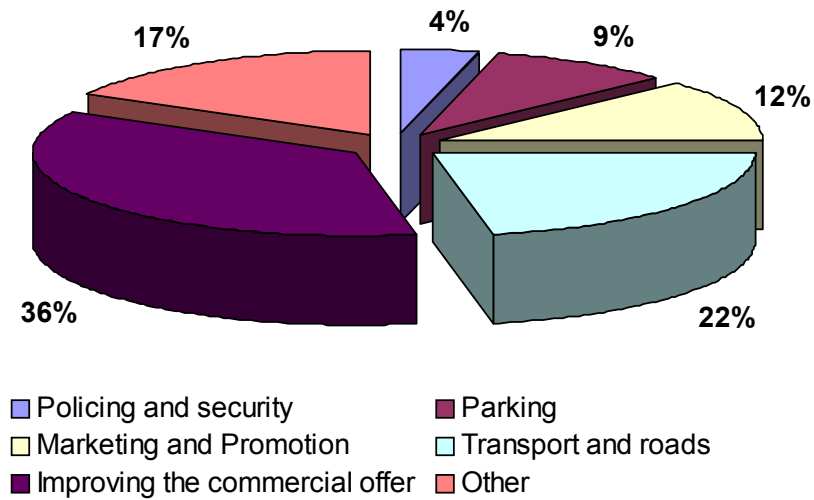
Business opinion

Key issues which could impact upon business performance

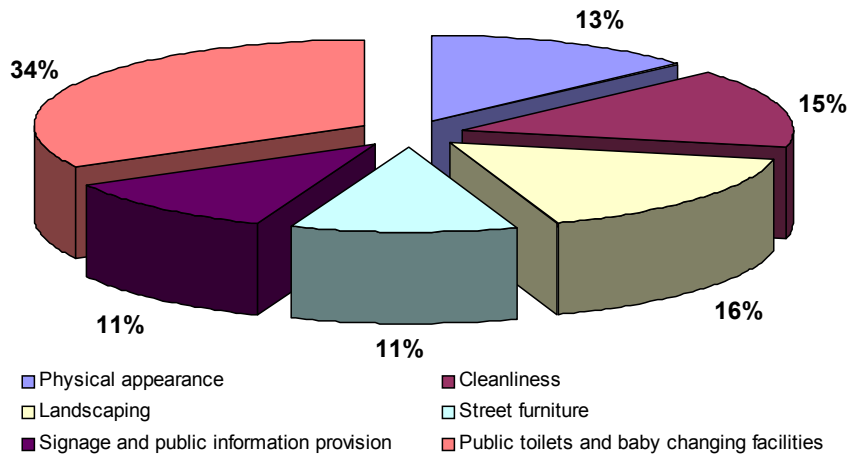
CQ business preferences for BID activities end July 2007



Improvements recommended via telephone survey

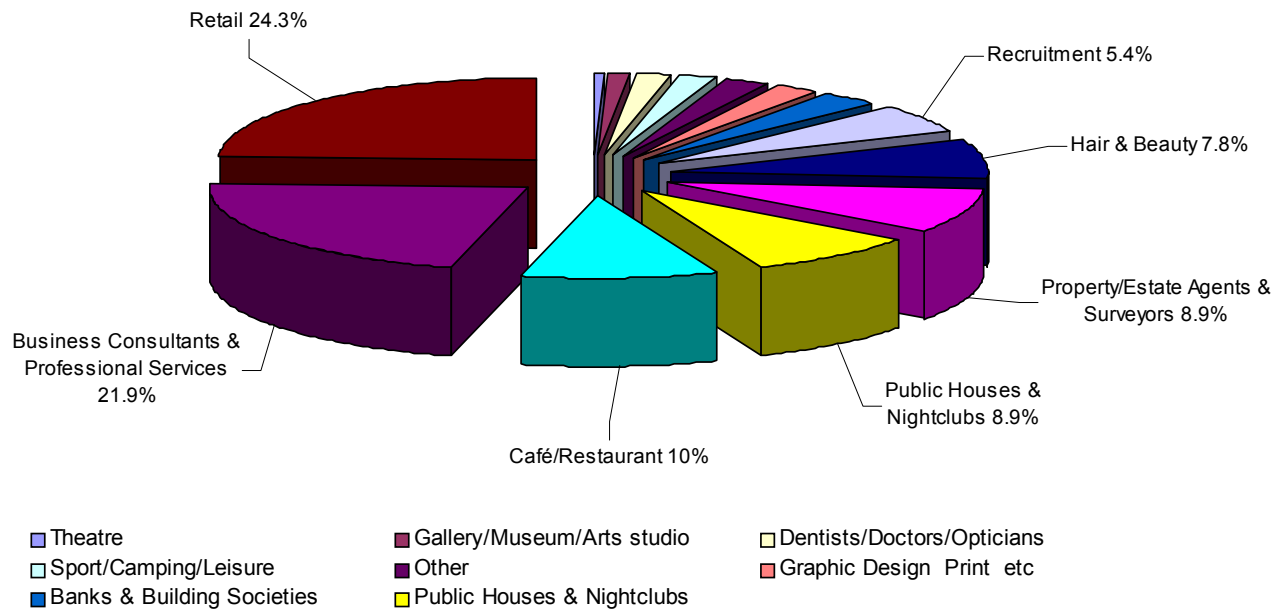


Employee requests for improvements to the Cathedral Quarter



These are the issues that the business improvement district is designed to address.

Pie chart showing a breakdown of businesses in the Cathedral Quarter by type



8. How will the BID respond?

The five key projects of the Cathedral Quarter BID reflect the findings of the research and consultation and have been specifically designed to meet the demands of both consumers and businesses alike.

If these demands are met, many more people will be persuaded to use the Cathedral Quarter as their favoured choice for shopping, working and spending their leisure time.

The Cathedral Quarter is undergoing a massive transformation of its own and has huge potential to become an even more attractive and desirable destination for lifestyle shopping, cultural offers and established professional and commercial services.

Over the next three years there are commitments or firm proposals to invest over £155 million in the Cathedral Quarter with new office accommodation, retail units, apartments and top class hotels.

Your business stands to benefit from these developments and a range of additional services that businesses, employees and visitors to the Cathedral Quarter have identified as crucial to the future of this area.

- Increased awareness of all that the Cathedral Quarter has to offer, and the ability to attract people from further away
- A more accessible Cathedral Quarter, promoting all forms of transport, even the car borne visitors who are presently encouraged to drive elsewhere
- A higher number of repeat visits and increased dwell time to take advantage of the full range of activities and an attractive environment
- Targeting of a larger and more affluent catchment area, attracting more visitors and a higher average spend
- Staff recruitment made easier and existing staff encouraged to stay longer with businesses who specialise in providing excellent customer service
- Real influence for the area over the management and development of the environment and the future of the Cathedral Quarter
- A strong and effective voice for positive change within Derby City Centre

How this will be monitored

The effectiveness of the measures undertaken will be gauged by key performance indicators which will be monitored for each project area, including footfall, customer surveys, business surveys, photographic evidence, car parking usage and retail turnover movement.

9. Vision, Aims and Objectives of the BID

Assuming a positive BID vote by a majority of businesses, BID operations will start on 1st March 2008 and will continue for a total of 5 years.

The vision

To establish the Cathedral Quarter as a destination which offers specialist quality retail, a diverse range of quality leisure and cultural activity and established respected professional services in an attractive historical setting.

Aims of the Cathedral Quarter BID

Following our extensive research and consultation with businesses, the consensus view is that the principal goal should be to create more profitable businesses in a positive trading environment by focusing on five key services:

1. Market and promote the area to increase awareness of what the Cathedral Quarter has to offer to attract more visitors and new businesses – to include targeted marketing campaigns, widening the range of quality specialist shops and leisure venues, stronger internet presence, promotion of loyalty schemes
2. Establish an area which is easier and more appealing to get into and around – to include signage, improved car access and parking, improved public transport including coach drop off
3. Increase the frequency of visits and the amount of time people stay in the area – to include events and entertainment, floral and plant displays, targeted removal of chewing gum, improvements in public toilet facilities. Floodlighting
4. Improve security and perceptions of safety – to include the introduction of Street Wardens and development of a 'safer business' scheme
5. Develop the Cathedral Quarter as a quality destination which has its own special identity and unique appeal, increasing opportunities to develop further BID projects, widen sources of funding and encourage greater inward investment

Details of how these services are to be delivered by the BID are set out in Section 10.

10. The five key projects

Cathedral Quarter Project One Increase awareness

What's included?

- High-profile and wide-ranging seasonal consumer marketing campaigns including city centre promotions and events
- Development of the Cathedral Quarter as a lifestyle destination, encouraging people from further away to visit more frequently and to stay longer
- Bringing even more quality specialist shops, cafés and restaurants to the area and encouraging the further development of the professional service and commercial sector in and around the quarter
- Constant, upbeat communication with all BID businesses
- An employee and visitor loyalty scheme to encourage workers in the area to spend locally and encourage visitors to spend more too
- The development of a strong internet presence to raise the profile of, increase accessibility to and cross-trading by the Cathedral Quarter businesses

What will be invested?

An initial budget of £70,800 pa, **increasing** to £81,200 by year 5 – a total of £379,000 over five years.

Our pledge to you

The Cathedral Quarter BID will bring more people into the Cathedral Quarter from a wider area, increasing market share and available spend. This will create the demand for new businesses seeking to establish themselves in increasingly profitable locations.

Cathedral Quarter Project Two Improve access

What's included?

- Signage and information to encourage everyone to explore more of the Cathedral Quarter, including its historical and cultural attractions
- Subsidised or free car parking on streets and in car parks at targeted periods
- Extension and promotion of bus routes and bus stops for the Cathedral Quarter area
- Improved vehicle access control to pedestrianised areas
- Development and promotion of coach drop-off and welcome points for the Cathedral Quarter area and incentives to tour operators to visit

What will be invested?

An initial budget of £24,500 pa, **increasing** to £28,100 by year 5 – a total of £131,000 over five years.

Our pledge to you

The Cathedral Quarter BID will tackle negative perceptions of the area as difficult and expensive to access. It will increase visitor numbers, persuade more people to stay longer and encourage them to discover new parts of the Cathedral Quarter. Repeat visits will rise and more people will think of the Cathedral Quarter as **the** place to be.

**Cathedral Quarter Project Three
Extend the length of stay**

- Additional floral displays, planting schemes and landscaping extended across the Cathedral Quarter
- Clearly defined boundaries to the Quarter so that there is a prominent brand and identity to the area
- Increasing seating in pleasant spaces, encouraging people to stay longer
- Increased number of litter and ash bins in specific areas
- Targeted and more frequent removal of chewing gum from street surfaces and an increased response from a hit squad for targeted cleaning across the area
- Upgrading, maintenance and improved security in public toilet facilities
- Floodlighting and mood lighting to improve ambience and attractiveness as well as increase feelings of safety
- Organisation of events and activities in the Market Place and development of play/leisure facilities for the young

What will be invested?

An initial budget of £40,700 pa, **increasing** to £46,700 by year 5 – a total of £218,000 over five years

Our pledge to you

The Cathedral Quarter BID will make the area look and feel better and will proactively raise standards across the entire BID area. The Cathedral Quarter's heritage will be enhanced, more people will want to spend time there and more local people will have a justifiably greater pride in this part of the city centre.

Cathedral Quarter Project Four

Feel safe and secure

- Introduction of street wardens to meet and greet visitors whilst enforcing higher standards
- Development of a 'safer business' scheme with improved communication links between police, CCTV, street wardens and businesses, supporting both the day time and evening economies

What will be invested?

An initial budget of £40,900 pa, **increasing** to £46,900 by year 5 – a total of £219,000 over five years.

Our pledge to you

The Cathedral Quarter BID will deliver a strong array of measures that will support the police in reducing crime and make businesses more profitable with both customers and staff feeling safer.

Cathedral Quarter Project Five

Increase external investment

- Use the success of the BID to lever in additional investment into the Cathedral Quarter by seeking and applying funds to identify and work up larger capital projects such as the reworking of the Waterfall
- Develop projects to make the BID area a more distinctive and enjoyable destination for visitors.
- Use the success of the BID to lever in additional investment into the Cathedral Quarter.
- Build the pride, the value and the offer of this special part of Derby

What will be invested?

£25,000 over the five years of the BID, derived from the project management budget

Our pledge to you

The Cathedral Quarter BID will work up capital projects, which, subject to additional funding, will build the appeal and reputation of the Cathedral Quarter at regional and national levels.

11. Organisation and Resources

Cathedral Quarter Company Limited (CQCL) is a not for profit BID company, limited by guarantee.

The Cathedral Quarter Company is legally and operationally responsible to the businesses in the quarter for all BID activities and acts on their behalf.

The board will be elected by the members of the Cathedral Quarter Co Ltd, drawn predominantly from those paying a levy in the area and made up of a representative cross-section of the businesses and stakeholders of the area and key agencies associated with the successful delivery of the BID project. It will be driven by the private sector and will include one Councillor from the Derby City Council as a Director and one Council Officer who will act as an advisor, but not as a Director.

The board will be responsible for directing the activities proposed in this document and who will also provide a consistent and effective voice for positive change across the whole of Derby. This is a voluntary role and is undertaken with a commitment to represent the interests of all businesses in the area.

The board will ensure that the implementation of the BID will be externally monitored and delivered cost-effectively, through keeping overheads to a minimum and using methods which will optimise the use of the revenue budget and add real value to the delivery of the plan.

It is expected that this will take the form of tendered contracts with external professional agencies, with these contracts being carefully and diligently managed by a contracts manager.

The Cathedral Quarter BID operation will be independently audited annually and the effectiveness of the measures undertaken will be gauged by key performance indicators for each project area, including footfall, customer surveys, business surveys, photographic evidence, car parking usage and retail turnover movement.

Besides regular newsletters, there will be an annual report providing details on activities and performance of the company against the objectives of the delivery plan for the previous year. There will also be an annual general meeting at which all members are invited to attend and at which Directors will be retired by rotation and new Directors elected in accordance with the articles of the company.

12. Five year Budget Summary

Cathedral Quarter BID Project Budget	2007/8	2008/9	2009/10	2010/11	2011/12
Income					
BID Levy	£ 180,000	£ 186,300	£ 192,821	£ 199,569	£ 206,554
Contributions	£ 50,000	£ 51,750	£ 53,561	£ 55,436	£ 57,376
Non collection provision	-£ 4,500	-£ 4,658	-£ 4,821	-£ 4,989	-£ 5,164
Total income	£ 225,500	£ 233,393	£ 241,561	£ 250,016	£ 258,766
Expenditure					
Project Mngmnt, Admin and Increae external investment	£ 45,000	£ 46,575	£ 48,205	£ 49,892	£ 51,639
Increase Awareness	£ 70,800	£ 73,278	£ 75,843	£ 78,497	£ 81,245
Improve Access	£ 24,550	£ 25,409	£ 26,299	£ 27,219	£ 28,172
Extend Length of Stay	£ 40,710	£ 42,135	£ 43,610	£ 45,136	£ 46,716
Feel Safe and Secure	£ 40,940	£ 42,373	£ 43,856	£ 45,391	£ 46,980
Total Expenditure	£ 222,000	£ 229,770	£ 237,812	£ 246,135	£ 254,750
Contingency	£ 3,000	£ 3,105	£ 3,214	£ 3,326	£ 3,443

13. Bid Levy and funding

Assuming a positive BID vote by a majority of businesses, the BID levy will be charged on all hereditaments listed in the local Non-Domestic Rating List located within the BID area. This applies irrespective of whether or how a business has voted in the formal BID ballot. Legislation within the Local Government Finance Act (2003) enables the local authority to issue a bill for the levy. The levy is collected by the billing authority, Derby City Council, and is transferred to the Derby Cathedral Quarter Company Limited for the exclusive use of the BID.

The BID levy will be 1.5% of rateable value (using the published 2005 valuation as at 1st October 2007 for each defined business within the scope of the BID), with the exception of those premises with a rateable value of less than £2,000 as at 1st October 2007.

Properties operated by registered charities and places of religious worship will be exempt from the levy. No other relief will be given to any class of non-domestic ratepayer and there is no distinction made between occupied or unoccupied hereditaments, both occupancy status attracting the full BID levy, unless the building is listed.

Levy payers will be advised of the amount of levy in the ballot information.

The liable person is the ratepayer liable for occupied or unoccupied premises. In accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (S.I. 1989/1058) and the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1989 (S.I. 1989/1060), Derby City Council will be responsible for the imposition, administration, collection, recovery and application of the BID levy. The Council will also be responsible for any enforcement action that may be appropriate in case of non-payment of the levy.

There will be a few modifications to the payments due under the BID levy rules, as follows:

- a) ratepayers with a RV of less than £10,000 but more than £4,999 will pay a fixed contribution of £150.
- b) ratepayers with a RV of less than £5,000 but more than £1,999 will pay a fixed contribution of £100.
- c) ratepayers with a RV of less than £2,000 will pay nothing for these properties and will not have a vote for these properties although they will enjoy the benefits that come with trading in the BID area

Any changes during the life of the BID will be handled as follows:

- a) New premises in the BID area or new streets raised after the BID is in force will be expected to pay a BID Levy based on the % appropriate in relation to its new/current rateable value
- b) Where property is split, two or more BID levies should be made on the revised premises from the date of split on the basis of the revised new/current rateable values
- c) Where premises are merged the BID Levy should be charged at the appropriate % of the revised properties new/current valuation

- d) Any change of use or ownership (or the creation of a new business within the BID boundary) will be liable to the levy rate current at the time of the change.
- e) Adjustments will be made for changes in occupation and if a property is deleted from the rating list and revised bills issued provided that the amount due on charge or refund is £5 or more. The charge or refund amount will be calculated pro rata between the date of the change in occupation and the date of the financial year end.
- f) Properties which are unoccupied will not be exempt from the levy, except listed buildings which will be exempt (in line with local government practice on non-domestic rates).

Bills for levies to be issued on the 1st of February and due on the 1st March each year will be calculated on the basis of the rateable value as at the 1st October of the previous calendar year.

There will be an annual inflationary increase of the levy of 3.5% year on year for the duration of the business improvement district, rounded to the nearest tenth of a penny.

The BID financial year will start on 1st March and last for 365 days (366 in a leap year). The BID charge is a daily charge based on rateable value. It is to be paid in full in advance, the payment date being the 1st March of that year. The daily BID levy charge for each individual ratepayer is to be calculated by multiplying its rateable value by the BID percentage levy and dividing the result by the number of days in the financial year.

At a 1.5 per cent levy, the indicative costs to a business would be:

Rateable Value of Property	Annual Levy	Weekly Cost	Daily Cost
£1,999 and below	No levy	none	none
£2,000 to £4,999	£100	£1.92	£0.27
£5,000 to £9,999	£150	£2.89	£0.41
£20,000	£300	£5.76	£0.82
£50,000	£750	£14.42	£2.06
£100,000	£1,500	£28.84	£4.12
£250,000	£3,750	£72.11	£10.30
£500,000	£7,500	£144.23	£20.60

Cost of the BID Proposal

None of the costs which have been incurred in developing the BID proposals, or holding of the ballot, are to be recovered through the levy. These costs were met from grants made by Derby City Council, East Midland Development Agency and Derby and Derbyshire Economic Partnership, for which we give sincere thanks.

Sources of Additional Funding

The Cathedral Quarter Company Limited is committed to seek additional funding to increase the benefits that can be delivered by the BID to businesses. Additional income will be generated by way of voluntary contributions from property owners, companies and organisations outside the BID area, and those not liable for the levy and grants. It is estimated that this could be around £250,000 over the five year period.

Discussion is on-going with developers, property owners and other stakeholders of the area who are to be invited to participate in the business improvement district and improve delivery against the business plan objectives even further.

Application of BID Funds

The BID funds are ring-fenced and will be controlled by participating businesses. Details of CQCL's accountability to businesses are given in Section 11.

The budget headings and the project costs can be altered within the constraints of the revenue received through the levy. Cathedral Quarter Company Limited will be empowered to move funds between budget headings to provide the services which best meet the requirements of the quarter. Such adjustments will be fully accountable to the businesses through the performance monitoring arrangements set out in section 11.

14. Risk analysis

The responsibilities of the Cathedral Quarter Co Ltd

The Cathedral Quarter Company Limited is a legal entity and a significant business in its own right. It not only has all the attendant risks and responsibilities that go with this but also, subject to the vote in favour of the BID, has a mandate from the businesses in the area to deliver the BID business plan. This is a significant responsibility which has an influence over the commercial prosperity of the Cathedral Quarter, the businesses in the area and their staff who rely upon it for their living.

It is important therefore, to articulate some of the external and internal issues that have a direct bearing on the ability of the Company to trade successfully, as well as highlight the consequences of not adopting the principles of the BID and the benefits that accrue from the delivery of the plan.

If BIDs across the UK do not develop and grow further, current national business trends indicate a gradual, sustained decline of commercial profitability in city centres like Derby. Competition across the East Midlands is already strong and recent investment decisions in Leicester and Nottingham will increase their appeal, especially for comparison and leisure-based spending. Failure to respond positively to this competition will inevitably mean further decline in sales and overall profitability for many of the companies trading in the Cathedral Quarter.

The Cathedral Quarter has an opportunity to develop its appeal through the BID and benefit from the increased visitor numbers to the city generated by the Westfield mall development or become a secondary shopping area of limited appeal which gradually falls into economic decline.

Sustainable mechanism for the development of the Cathedral Quarter

Over the years there have been many attempts by groups and associations to improve the area. Many have relied upon the commitment and dedication of a few proactive businesses. More recently City Centre Management Derby has made significant contributions to the commercial attractiveness and development of the area. However none of these bodies have had the mechanism which the BID provides, for generating direct business involvement and compulsory financial contribution to the benefit of all.

Unlike most commercial companies, the BID combines solid business support with a compulsory payment scheme, which guarantees constant cash flow. This provides a solid platform for the BID Company to control costs, plan over the longer term and rise to the expectations of its stakeholders.

A contingency is contained within each of the project areas, meaning, that should the income from the additional voluntary contributions fall short of those budgeted for any period, costs can be adjusted accordingly.

Prior to the commencement date of the BID and collection of the first levy some elements of the planned services may require funding in order that they are initiated as proposed and on schedule. This can be facilitated by a bridging finance arrangements repaid in full from the first receipts.

In the unlikely event that circumstances beyond the control of the BID Company mean that it fails to bring about the benefits envisaged, the business electorate will have the final say. At the end of the 5 years, if no discernable difference is detected then a vote against renewal can simply “switch off” the BID and with it all business contributions.

There is no plan to rely upon bank or other financial support other than the levy and so there is no prospect of financial insecurity. In any event, the Company will produce monthly management accounts and financial forecasts for information of the Board, nominated by the levy payers. Appointed auditors will produce end-of-year accounts, made available to all contributors and the local authority and these will be filed at Companies House in the normal way.

The Company is VAT registered to ensure that the tax can be reclaimed on expenditure. It is also anticipated that it will benefit from mutual trading status meaning that it is exempt from any Corporation Tax liability.

Appendices

List of current Board Members

Chris Brown (Chairman)	Boxall Brown and Jones
Andrew Bock	Clowes Developments. UK Ltd
Melanie Allen	City Centre Management
Cllr Ranjit Banwait	Derby City Council
Craig Sharp Weir	Barracuda Bar
Dave Lalor	Pub Watch
Glyn Smoothy	W E Watts
Ian Beardmore	Flint Bishop Solicitors
Ian Ferguson	Partnerships for Better Business
Ian Goodwin	Rothera Goodwin
James Blick	Finesse Hotels
James Hurdis	Canopy
John Cadwallader	Derby Cityscape
Kevin Duffy	Westfield

Acknowledgements

The BID team would like to acknowledge the support of the following in preparing this Business Plan

Derby City Council
Derby Cityscape
Derby and Derbyshire Economic Partnership
City Centre Management Derby
UK BIDs (The National BIDs Advisory Service)
East Midlands Development Agency
New Horizon Limited
Partnerships for Better Business Ltd

Appendix 1 – Definitions

The following terms, used throughout this Proposal document, shall have the same meaning as provided in the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.

This document is a BID proposal for the purposes of the Act. If approved it will become the BID arrangements which govern the way in which the BID levy can be used.

“the 2003 Act” means the Local Government Act 2003;

“the 1988 Act” means the Local Government Finance Act 1988;

“BID” means business improvement district;

“BID ballot” means a ballot under section 49(1) of the Local Government Act, 2003;

“BID body” means, the body (whether corporate or not corporate) responsible for the implementation of the arrangements: the Cathedral Quarter Company Limited;

“BID proposer” means a person who draws up BID proposals;

“commencement date” subject to regulation 9(12) of the Business Improvement Districts (England) Regulations 2004, means the day, pursuant to section 53 of the 2003 Act, the BID arrangements are to come into force;

“hereditament” means anything which is or is treated as being a hereditament by virtue of the provisions of or any provisions made under section 64 of the 1988 Act including any hereditament to which regulation 6 of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 applies but otherwise excluding any hereditament to which regulations made under section 64(3)(b) of the 1988 Act apply

“renewal ballot” means a ballot under section 54(2) of the 2003 Act.

Appendix 2 – Streets included in the BID Area

Albert Street
Amen Alley
Becket Street
Bold Lane
Cathedral Road
Chapel Street
Cheapside
College Place
Cornmarket
Curzon Street (part of street only)
Ford Street
Friar Gate (part of street only up to junction of Ford St)
Full Street
George Street
Heritage Gate
Iron Gate
King Street
Market Hall
Market Place
Old Blacksmith's Yard
Queen Street
Sadler Gate
Sadler Gate Bridge
Sowter Rd
St James Chambers Hall
St James Street
St James Yard
St Mary's Gate
St Michael's Lane
Tennant St
The Strand
The Strand Arcade
Victoria Street (part of street only)
Wardwick
Willow Row

Vote 'yes' by the 28th November!

BID

Created
Invested
Managed

BY
YOU

Acknowledgments

The BID team would like to acknowledge the support of the following in preparing this Business Plan

Derby City Council
Derby and Derbyshire Economic Partnership
East Midlands Development Agency
Derby Cityscape
City Centre Management Derby
Partnerships for Better Business Limited
New Horizon Limited
UK BIDS (the national BIDS advisort service)



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