

**Coventry City Centre  
Business Improvement District**

**Managed by CV One Ltd**

**BUSINESS PLAN**

April 2008 – March 2013

August 2007

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## **1. Executive Summary**

**This Business Plan has been prepared in respect of the forthcoming Renewal Vote for the Coventry city centre Business Improvement District (BID) which will take place in February 2008 and will cover the 5 year period April 2008 until March 2013. References in the text to “the current BID” relate to the BID already running at the time of writing, which covers the period April 2005 until March 2008.**

### **1.1. Vision**

The overall vision for the new BID remains largely unchanged from that of the current BID - to make Coventry city centre a more attractive place to visit and to run a profitable business. It will achieve this by understanding customers' needs; improving the reality (concentrating on the basics - clean, safe and attractive); maximising footfall; improving perceptions of the city centre; attracting inward investment; and within CV One itself generating additional sources of sustainable income to supplement the BID Levy.

### **1.2. Scope**

The BID area will cover business premises within Coventry's Ring Road. The business sectors included in the BID will continue to be those that interface with their customers within the city centre e.g. retail; leisure; banks; travel/recruitment agents; estate agents; solicitors; Council; car parks. This definition therefore excludes general offices. All premises with a rateable value of £3,000 or less will be excluded from the definition of the BID.

### **1.3. The Financial Commitment**

- The BID Levy will be 0.9% of Rateable Value (at the 01/01/2008 valuation). This rate remains unchanged from the current 3 year BID, despite the fact that the rest of the UK BIDs are levying 1% or more. This figure will be updated annually by inflation, based on the Retail Price Index (R.P.I.), in line with current UK BID practice.
- The other income contributions (see Appendices 4 and 5) will also be reviewed annually and updated to take account of expenditure inflation.
- For the new BID it is proposed to reduce the minimum charge for those businesses requiring a radio from £200 to £175. (This is to encourage maximum support for our state of the art retail radio system, as increasing security coverage ultimately benefits everyone).

- A 33% discount for businesses within covered, privately managed shopping centres, who continue to pay a service charge in addition to the BID Levy, will continue to be offered.
- CV One's Auditors have confirmed that any surplus funds from the current BID as held at 31<sup>st</sup> March 2008 can carry forward into the new BID.
- The new BID will last five financial years from 1 April 2008. The total BID Levy income will be an estimated £331,421 p.a., in year 1, (as assessed on rateable values established at the time of writing in August 2007) rising with inflation based on R.P.I. in subsequent years. The BID Business Plan will be supplemented by other sources of income (donations from the property, media and transport sectors; CV One earned income) such that the average annual income will be an estimated £679,921 in 2008-9, subsequently updated to reflect expenditure inflation.

CV One's total income, based on 2007-08 budgets, is c.£9.7m p.a., of which c.£6.3m p.a. comes from Coventry City Council contracts to deliver services such as the core cleansing & grounds maintenance contract, and car park management. Coventry City Council has committed to maintain the level of funding for the core services provided by CV One under this contract, thus providing an effective baseline agreement for the BID. This enables CV One to deliver more effective extra services for the BID area as core services are already funded. CV One as a company has also been able to deliver, for instance, over £2.3m p.a. additional services and benefits to the city centre in the last financial year 2006-07, through activities over and above the Council core funding.

#### **1.4. Operating Environment**

Competition has increased locally and will increase further in the near future. In the last five years, Touchwood Court and Bull Ring have opened their doors and in late 2004, the Ricoh Arena retail development added one of the biggest Tesco Extra stores in Europe and several comparison retail outlets occupied by High Street brand names. The current BID has reduced the impact of these strong competitive threats, which were predicted to give rise to a diversion of footfall of between 8-12%, which would have proved disastrous to the city centre economy. In fact in calendar year 2006 footfall in Coventry city centre was up on average by over 2%, when the West Midlands average was down by 6%, a very dramatic contrast. Nevertheless the extra resources of the new BID are still urgently required to combat additional competitive threats from further expansion in Birmingham, Leicester, Leamington, Kenilworth and from the recent planning application to expand very significantly the retail capacity at the Ricoh Arena.

## **1.5. Organisation and Management**

The BID will continue to be managed by CV One Ltd, which is a not-for-profit company (limited by guarantee) that currently has operational control of the city centre. The BID Business Plan will be separately auditable, but no separate BID company will be formed to avoid extra administration costs. A CV One Board Sub-Committee will continue to steer the BID led by representatives of the levied business sectors, who form a majority on the Sub-Committee.

## **1.6. CV One's History as a Pilot BID**

CV One was operating as an effective BID pilot for 6 years prior to the successful vote in Spring 2005. Coventry city centre's BID was the fifth in the UK to receive a "Yes" vote and is frequently cited at national level as a model of best practice. It has delivered increased footfall, increased turnover, reduced crime, lower stock loss, lower voids, improved perception, improved visitor profile, better cleansing scores, better events and over £2.3m extra spent on the city centre in financial year 2006-7, over and above City Council funding. CV One had also operated successful voluntary membership schemes during the pre-BID period.

## **1.7. Work Programmes**

The proposed BID work programmes have been identified through building on previous success, with updating and adjustments to reflect regular discussion and consultation with city centre businesses.

The new 2008-13 Renewal Vote BID Business Plan includes:

- additional cleansing equipment to target cigarette butts; continuation of the effective Maintenance team; more additional greening, including ongoing support for Britain in Bloom Awards
- continuing marketing campaigns including a Christmas campaign with a powerful Regional TV component
- "Feel Alive" a top quality glossy lifestyle magazine published three times a year, with a distribution of over 100,000
- additional security and safety measures (including the wider provision of radios)
- continuity of the Evening Ambassadors Team, who patrol the streets through to 4am in support of the leisure economy
- market research, including annual consumer surveys and state of the art footfall monitoring
- a new full time on - street Security Liaison post
- enhanced contingency funds to respond to ad hoc needs within the BID membership

(In addition, outside the BID and independently funded, CV One itself will continue to provide many additional services, such as a free Events programme, and tourism promotion.)

## **2. Vision and Strategy**

### **2.1. Vision**

The vision for the new BID will be:

*“To make Coventry city centre a more attractive place to visit and conduct a business.”*

The achievement of this objective will generate additional income and/or reduced costs for those businesses that are located in the city centre. CV One view the BID Levy as a valuable investment by each of the businesses, which will continue to generate positive perceptions, will preserve footfall in a highly competitive environment, and ultimately generate financial returns, as it has done in the past three years.

It will achieve this vision through five strategic objectives that also determine the priorities and programmes of CV One. Some of the strategic objectives will be achieved in whole or in part by activities conducted and funded by CV One outside the BID, but all are integral in achieving the overall vision and strategy for the city centre. Those objectives can be summarised as follows:

### **2.2. The Five Strategic Priorities**

#### **2.2.1. Understanding and addressing customer needs**

This represents an increasingly important priority if the BID is to meet the challenges and opportunities that exist within its rapidly changing operating environment. It requires an in-depth understanding of the various market sectors within the city centre, be they existing users or potential investors, and provides the BID with the targeted information and performance data with which to influence decision makers. It also demands a detailed understanding of our product – its inherent strengths and weaknesses - as well as the external threats and opportunities. CV One are one of the few city centre management companies to have developed an in-house research facility which enables us to evaluate both user perceptions and measure key performance indicators for our projects.

#### **2.2.2. Changing reality**

Research consistently shows that the top three factors determining choice of centres to visit are safety, cleanliness and an attractive environment. This has again been endorsed by the 2007 BID members opinion survey which has in turn informed this Business Plan. Businesses also value highly improvements to the ease of

access, and to parking facilities. The BID is well placed to impact on these, because CV One has operational responsibility for delivering both the core services (through a £6.3m p.a. contract with Coventry City Council) and the top-up services that the BID will provide. The BID will work hard to further improve cleanliness scores and crime figures and make the environment increasingly attractive through an extensive greening programme. We will continue our previously successful applications for regional and national Britain in Bloom Awards. We will continue to source state of the art cleansing equipment and techniques.

The BID must also continue to promote new investment in the city centre and ease of access by lobbying the Council at senior level to influence Council policies and the way they are implemented, with particular regard to parking, development and access issues. The Council has increasingly consulted and sought the views of CV One as BID Managers, as well as in their own right as a Company, during the current 3 year BID and the BID membership as a whole is now recognised by the Council as an important stakeholder through its established Business and Retail Forum.

#### 2.2.3. Changing perceptions

In brief, this means making Coventry people proud, making Warwickshire people revisit their perception of the city centre and attracting new employees, students and visitors (both business and leisure) from further afield. It demands an integrated and sustained PR, marketing and promotional strategy with a local, regional and national focus. It will also require us to raise awareness of the city centre's unique selling points [U.S.P.s] and major development plans, i.e. to tell our story better. The extra marketing initiatives made possible by the BID contribution have a strong influence on success in this area.

#### 2.2.4. Generating sustainable funding

CV One will continue to generate additional income, over and above the BID Levy. Such additional revenue generation significantly improves the value for money which BID levied businesses gain from additional projects and enables more long term value than the BID Levy alone could achieve. There will be a continued emphasis on innovative funding initiatives. This will encompass the sale of services, grant funding where possible, joint ventures and voluntary investment contributions from, for example, landlords as well as a growing programme of commercial activities and sponsorships.

#### 2.2.5. Generating third party investment

The BID will support CV One in its proactive recruitment campaign to promote high quality, mixed use developments through attracting tenants and investors who will enhance the quality and diversity of the product offer. The BID will also lobby to maintain the momentum of the current plans of the City Council to revitalise the city centre, securing recognition of the economic and social impact of city centre regeneration. This includes both improvements to the public realm such as open spaces, circulation routes and car parking, but also attracting major private sector investment to extend the retail, leisure and employment infrastructure. Since the current BID began the Council have publicly adopted the City Centre as their top political and funding priority. CV One on behalf of BID members will continue to lobby strongly and consistently on the need for investment, expansion and extension of the city centre offer.

### **3. The Scope of the Business Improvement District**

- 3.1. The geographical scope of the Coventry City Centre Business Improvement District (The BID) is as shown on the attached map (Appendix 1). It essentially covers the area bounded by Coventry's Inner Ring Road, except that premises, such as car parks, that are under the ring road and extend both sides of it are included in the BID. Appendix 1 gives a list of the streets covered by the BID Area.
- 3.2. The sectoral scope of the BID covers those businesses which significantly interface with their customers within the geographical scope of the BID. Thus retailers and leisure operators are in the BID, but so are solicitors, estate agents, recruitment agencies and banks and building societies. Office based businesses that could easily be based elsewhere in the city, because few members of the public visit their city centre premises, gain fewer benefits from a BID such as this one and are thus still excluded, since the BID must focus its activities on core competencies and should not dilute its activities by trying to satisfy widely divergent needs. A separate Citywide BID has already been developed to serve the general business community.

This policy on sectoral inclusion is in line with CV One's experience of initially, voluntary membership schemes, and then the current BID, in recognising the benefits of serving specific, more narrowly targeted sectors.

All premises with a rateable value of less than £3,000 are excluded from the scope of the BID, since the additional revenue cannot justify the additional administration costs. Such premises are able to access the benefits of the BID by payment of a voluntary membership fee.

Retail charity outlets will be included. However, premises where the tenant is a charity and which are not functioning as a shop will be excluded, as will educational establishments.

- 3.3. A list of the business sectors covered is attached (Appendix 2).
- 3.4. CV One Ltd, which will manage the BID, has a wider remit than just the management of the BID. For example, it includes tourism for the sub-region, which also benefits the city centre. The following CV One activities have therefore not been included in the BID for practical reasons but they still provide significant benefits for members:
  - 3.4.1. Significant core services are provided on contract to Coventry City Council e.g. car park management, cleansing and grounds maintenance, basic greening.

- 3.4.2. Significant staff costs, including some in warden-style roles, are outside the BID to maintain flexibility in their use e.g. the team of Customer Service Assistants.
- 3.4.3. The events programme, which is part funded by Coventry City Council.
- 3.4.4. Tourism promotion, which concerns much more than the city centre and includes conference sales and other business tourism initiatives.
- 3.4.5. Inward investment, which covers a wider range of activities than are appropriate for a city centre BID.
- 3.4.6. The total size of CV One's annual turnover (£9.7m) is such that it is entirely inappropriate for all of it to fall under the aegis of the BID when the BID Levy is only an estimated £331,421p.a.

Nevertheless, the close strategic alignment of what the BID seeks to achieve with CV One's overall strategy ensures that there can be no conflict of interest.

## **4. Financial Commitments**

### **4.1. The BID Levy**

- 4.1.1. The BID levy will be 0.9% of rateable value (using the published 2005 valuation as at 1<sup>st</sup> January 2008) for each business within the scope of the BID, with the following exceptions.
  - 4.1.1.1. Those premises which operate within covered, privately managed shopping centres who pay a service charge (i.e. currently West Orchards; Lower Precinct; Cathedral Lanes; Orchard Link) will have a 33.33% discount (i.e. a 0.6% of rateable value BID Levy) to take account of the overlap in services between the BID and the services provided through their service charge.
  - 4.1.1.2. Those premises with a rateable value of less than £22,223 (at 01/01/08 valuation) who opt to receive a radio as part of the BID will pay a BID Levy of £175, a reduction from the current BID charge.
- 4.1.2. The liable person is the ratepayer liable for the occupied or unoccupied premises, in accordance with the Non-Domestic Rating (Collection and Enforcement) (Local List) Regulations 1989 (S.I. 1989/1058) and the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1989 (S.I. 1989/1060), Coventry City Council will be responsible for the imposition, administration, collection, recovery and application of the BID levy.
- 4.1.3. New premises in the BID Area and business sectors will be expected to pay a BID Levy based on the % appropriate in relation to its new/current rateable value and time of occupation.
- 4.1.4. 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 current rateable values. Where premises are merged the BID Levy should be charged at the appropriate % of the revised property's new/current valuation.

### **4.2. Projected Income**

The projected income for the BID (see Appendix 3) will come from the following sources:

- 4.2.1. BID Levy  
The BID levy will generate an estimated total of £331,421p.a. in year 1, rising with inflation in the subsequent four years.

#### 4.2.2. Voluntary Contributions

A number of organisations who would ordinarily fall outside the scope of the BID have nevertheless pledged to contribute to the BID during its lifetime, either in cash or with in kind benefits (such as contra deals with commercial radio stations). Those organisations that are expected to contribute are listed in Appendix 4.

#### 4.2.3. Earned Income

The BID will also gain income from the sale of services to third parties (see Appendix 5 for details). These services are able to be offered because of the core competencies of the BID and/or CV One which can be marketed to other organisations to generate income.

#### 4.2.4. Grants

CV One was in receipt of grant income from ERDF for part of the current BID, but this has now ceased. However any opportunities available to source new grant income in support of the BID will be actively pursued.

### **4.3 Projected Expenditure**

The categories of expenditure and the amounts budgeted for them can be seen in Appendix 3. The details of the programmes to which they apply can be seen in Section 8. Please note the ability to vary these categories of expenditure, detailed in section 6.8.

### **4.4 Free Benefits that will be Provided to BID Levy Payers**

The new BID is a development of the current BID, which itself was based on CV One's well established voluntary membership schemes. These voluntary schemes had provided benefits to members, specific to their business sector (such as a highly effective retail crime operation), in return for their membership fees. These were over and above the benefits of CV One's core contract activity, which had already led to a general improvement in the trading environment (such as the "clean & safe" and extra greening initiatives). The new BID seeks to continue that principle and will again provide a number of additional free benefits to BID Levy Payers. Appendix 7 gives a summary of those benefits.

## **5. Operating environment**

### **5.1 The Economic Environment and History**

Coventry city centre was extensively redeveloped in the years following the devastation of the Second World War. There followed a boom period for the city based on its thriving car manufacturing industry. The latter part of the 20<sup>th</sup> Century, however, saw a decline in manufacturing and a more difficult period for the city. The city centre started a long slow decline in the 1970s and 1980s, with little new development. In more recent years, new businesses and a reduced dependence on manufacturing have significantly improved Coventry's economy, but when CV One's precursor company (the City Centre Company) came into existence in 1998 the city centre itself had seen 10-15 years of steady declines (c.2% p.a.) in footfall and its image was relatively poor. The architecture of the fifties/sixties was seen as somewhat cold, grey and uninspiring.

Since then, Coventry City Council has invested in regenerative development schemes and the private sector has followed with major new investments. The City Centre Company and then subsequently CV One have significantly improved cleanliness & safety within the city centre, and have softened the harsh architecture with an extensive greening programme. The success of this can be measured by the city centre's award of Beacon status for community safety initiatives, and by gaining numerous Britain in Bloom Awards. Footfall has gone back up, visitor perceptions have improved, crime has reduced and inward investment resulted in a reduction in rental voids from thirty one in 2003 to fourteen in 2006.

### **5.2 New Competition**

However, competition from adjacent retail centres has increased significantly and is set to increase further. In the last five years, Touchwood Court opened in Solihull and The Bull Ring in Birmingham. The projected diversion from Coventry city centre in planning documents for these developments was around 5%. The extensive programmes introduced by CV One, and in particular the projects funded from the current BID, to make the city centre better able to resist competition have meant that footfall figures have not dropped overall in the city centre during this challenging period. In fact in 2006 footfall was up over 2% in Coventry, whereas the West Midlands average was down by over 6%.

The new Coventry Arena built to the north of Coventry has brought benefits for the city overall - a major football stadium, a new concert venue, a large conference centre and the largest casino in the Midlands - but it also brought Arena Park, a new retail development comprising one of the largest Tesco Extra stores in Europe and several other major brand comparison

shopping outlets to compete with the city centre. It has good transport links (public and private) and planning impact studies had projected an 8 - 12% diversion of trade from the city centre. The retail elements of the Coventry Arena has provided difficult challenges, because it represents new competition, this time in the city centre's core catchment – close to the city, convenient for those to the north and east and providing a value offer with free surface car parking. The current BID has had to work hard, in partnership with BID members and Landlords, to combat this extra threat to the vitality and attractiveness of our city centre. There is a further application already lodged with the City Council to significantly expand Arena Park, and it is imperative that the BID continues to support and promote the city centre to limit the risk of serious footfall diversion.

### **5.3 Access**

Ease of access has for many years been one of Coventry's major U.S.P.s. However, some of proposed large building schemes in and around the city centre (particularly the Belgrade Plaza, IKEA Plaza and Swanswell sites) could potentially threaten its validity, and disruption management will continue to be a major priority during the life of these developments. Similarly the effective management of car park capacity during the development of existing sites will be vital if the city centre is not to suffer as a result of its long awaited regeneration. The BID, through CV One, is well placed to ensure that such disruption is minimised through consultation and influence with Council Officers and Landlords.

### **5.4 Development Schemes**

Nevertheless the redevelopment schemes offer the key to the city's revitalisation and those schemes already completed have already attracted positive media comment and awards, including short-listing of the Phoenix Initiative for the internationally renowned Stirling Prize. These all suggest that the city is beginning to shake off its negative image.

### **5.5 Footfall**

Gross visitor numbers to the city centre in 2006 showed an increase of 2.3%. However, changed footfall patterns following the opening of Lower Precinct and the closure of surface car parks for redevelopment have continued to have an adverse effect on footfall in some parts of the city centre, particularly the south city areas, whereas footfall in the prime pitch locations of Upper and Lower Precincts and Broadgate has increased significantly. The Christmas 2007 trading period will be yet another testing time for the retail and leisure sectors, but footfall should be boosted by the opening of IKEA, an important new addition to the retail offer.

## **5.6 Brand Representation**

It is clear that the regular Coventry shopper is very much aware of the new developments and CV One's surveys demonstrate that the brand mix in competitive centres does raise the aspirations and expectations of our own customers. Since the opening of Touchwood Court in Solihull consumer surveys have regularly cited John Lewis as one of the most desirable brands on their "wish list" for Coventry city centre. Whilst the city centre offer has undoubtedly improved on previous years, with fewer voids than in the past, the city still lacks critical mass in high quality fashion and leisure brands and in a diverse mix of independent operators. The latter has however been improved by the addition of 19 new independent businesses during the period 2004-6 as a result of the award winning Business Vitality Programme, run by CV One with support from the Council and the Chamber of Commerce.

## **5.7 Citywide BID**

A completely separate BID, known as the Citywide BID, will be operating in Coventry with effect from October 2007. It is important to note that the content and management of this BID is completely unrelated to the City Centre BID. However, some businesses physically located within the ring road, but excluded from the City Centre BID by virtue of their business type, will be members of this second BID.

## **6. Organisation and Management**

6.1. The BID will continue to be managed by CV One Ltd, the not-for-profit private company that manages the city centre and promotes tourism in Coventry and its sub-region. CV One was formed in 2002 by merging the previous activities of the City Centre Company (Coventry) Limited and Coventry and Warwickshire Promotions Limited.

6.2. CV One has major contracts with Coventry City Council for the provision of some statutory responsibilities, some other core services and a number of additional projects in the city centre (e.g. cleansing, grounds maintenance, car park management, promotion, security, and events). The BID will provide additional services that will make Coventry city centre a measurably better environment in which to conduct business. Coventry City Council have already committed to maintaining the level of core funding for these contracts throughout the life of the BID, which provides a very effective baseline.

6.3. The BID will benefit from the management and staff resources of CV One free of charge. The only staff costs charged to the BID will be for the Evening Ambassadors, part of the Maintenance Team and the new additional Security Liaison role. This ensures that the BID will deliver excellent value for money to levied businesses. Other staff who contribute to the benefits that city centre businesses will enjoy, work in the following areas of the Company:

6.3.1. City Centre Operations (Clean & Safe)

6.3.2. Marketing

6.3.3. PR/Image

6.3.4. City Centre Operations (CCTV monitoring and Maintenance)

6.3.5. Customer Service, which includes Customer Service Assistants, who provide a service similar to that provided by wardens in other BIDs

6.3.6. Market Research

6.3.7. Events

6.3.8. Inward Investment

6.3.9. Commercial – generating additional income

6.3.10. Tourism promotion, including the Tourist Information Service

6.3.11. Administration

- 6.4. During the previous years that CV One (and before it the City Centre Company) has delivered the major contractual services for Coventry City Council, currently worth c.£6.3m, it has been possible to improve the way this contract is managed to produce efficiency gains, which, as CV One is a not-for-profit company, have been ploughed straight back into benefits for the city centre. A good example of this concerns car park management. Most major short stay car parks have been converted from Pay & Display to Pay on Foot equipment. This has released the car park attendants to be retrained as Customer Service Assistants – fulfilling the duties of city centre wardens.
- 6.5. Similarly, many other efficiency gains have released resources to enable CV One to provide other additional services that many BIDs will need to provide themselves, but the cost of these will not need to be included in this BID Business Plan. Appendix 6 is an extract of CV One's full Business Plan, which gives businesses sight of the comprehensive list of services which CV One provides outside, and in addition to, the BID that benefit city centre businesses. In most other locations, these would have needed to be funded by the BID, so this again ensures that the Coventry BID will deliver excellent relative value for money.
- 6.6. CV One's Board of Directors have made a specific decision that, since BID Regulations do not require a separate BID company to be formed, the operation can be delivered more efficiently without the extra administration of a new company. The specific BID activities are however included in a separately auditable BID Business Plan and Accounts, to ensure that the levied businesses and the Local Authority can verify that the BID Levy is being used in line with the proposal that will be sent out with the ballot papers for the BID ballot.
- 6.7. The existing CV One Board BID Sub-Committee will guide and monitor the operation of the BID. The Sub-Committee will include member(s) of CV One's Board of Directors, including its Chief Executive, plus representatives from property, retail, leisure and other business sectors. Any BID levy payer can put forward nominations for members to serve on the Sub-Committee when sector-specific vacancies arise. Notification of vacancies will be through the Business and Retail Forum and BID Newsletters. The Sub-Committee will monitor the BID's finances and service delivery and will report back regularly to the Local Authority as required to enable it to fulfil its role in ensuring the viability and the probity of the BID's use of the BID Levy. The BID will also consult more widely with the levied businesses through regular meetings of its Business & Retail Forum and through BID newsletters and the web site.

6.8. Save for alterations to the geographical area, the sectoral scope and the BID levy, all of the BID arrangements described in the Proposal may be altered without an Alteration Ballot. If alterations to BID arrangements are required, without an Alteration Ballot, the following process will be followed:

6.8.1. CV One will formulate a Proposal to alter the BID arrangements.

6.8.2. The Proposal will be submitted to CV One's BID Sub-Committee (consisting of representatives of BID levy payers) for approval.

6.8.3. Once approved, CV One will confirm the date from which the Alteration Proposal is to be effective.

6.8.4. Once the Alteration Proposal is finalised, a notice will be sent to all non-domestic ratepayers in the BID area explaining the reason for and the effect of the Alteration Proposal.

## **7. CV One's History as a BID**

CV One had effectively operated as a Pilot BID since its formation (in 2002) and the formation of its precursor company (the City Centre Company) in 1998. In that time it had demonstrated the success of the BIDs concept better than any other BID Pilot. Its management of the city centre has been extensively studied by those who have had a hand in the drafting, commenting on and revision of the various proposals that have eventually led to the BIDs legislation. This has included the former Office of the Deputy Prime Minister (and before that the DTLR and the DETR); the Association of Town Centre Management; the British Retail Consortium; the CBI; the Local Government Association; many retailers; hundreds of UK towns and cities; and visitors from many other countries around the globe, including Japan, USA, South Africa and Germany. The current BID, running since April 2005, was voted in by a comfortable majority and has been run successfully and within budget since.

It is this past experience and proven track record which offers business in Coventry city centre the best possible guarantee that the proposed services will continue to be delivered to an excellent standard. Also that the outputs from the BID will directly benefit the businesses in the city centre and thus make the BID levy a high quality investment.

Some of the important successes of CV One can be listed under the headings of the five Strategic Priorities of the BID.

### **7.1. Understanding and addressing customer needs**

7.1.1. The production of annual consumer surveys giving valuable trends on visitor and residents' perceptions about, and use of, the city centre plus focus groups as required who generated qualitative research information about detailed issues. The results of this work are always available to BID members for reference and are formally reported at the Business and Retail Forum.

7.1.2. The collection and analysis of daily footfall information from 13 sites in the city centre giving an accurate 24 hour picture of the trends in visitor numbers and changing footfall patterns. This information is provided to BID members on specific request and general trends are reported regularly in the BID Newsletters and at the Retail and Business Forum.

7.1.3. The introduction of a bi-monthly Healthcheck, covering a wide spectrum of key indicators, such as footfall, car park usage, crime & retail voids.

### **7.2. Changing reality**

7.2.1. Improved ENCAMS cleansing scores and a zero tolerance of graffiti and fly-posting. The average Encams score for 2006 was 79.21 compared to 70.63 in 2004, pre-BID.

- 7.2.2. Reduced crime, reduced retail stock loss, a 24/7 CCTV Control Room linking nearly 300 cameras to 650 radios (including the police), ASBOs, exclusion orders, security training for businesses.
- 7.2.3. A massive increase in the amount and quality of floral displays in the city centre leading to the winning of two gold awards in the regional category of Heart of England in Bloom in 2005 and 2006 and category winner in the National Britain in Bloom competition in 2004. In addition Greyfriars Green won the Best Park award in 2006.
- 7.2.4. The conversion of 23 car park attendants to Customer Service Assistants (similar to city centre wardens in other cities). The development of effective partnership working with the relatively new role of Police Community Support Officers.
- 7.2.5. The introduction of Evening Ambassadors – a first in the UK - to provide re-assurance to night-time visitors and provide them with information and guidance; to act as eyes and ears for the police; and to defuse potential problem behaviour. This ground-breaking service has now been copied by other UK cities including Birmingham.

### **7.3. Changing perceptions**

- 7.3.1. A sustained high quality marketing campaign with proven awareness, through press, TV, posters, bus backs, direct mail (newsletters, magazines, shopping guides etc) and a professional PR resource have generated regular improvements in perception in our annual surveys.
- 7.3.2. In those surveys, the gap between the importance of factors determining choice of where to visit and perceived performance has been consistently closing over several years.
- 7.3.3. A consistent and varied free Events programme has encouraged many more people to visit the city centre, and surveys show that many now come back on a regular basis to shop as a result of attending an event.

### **7.4. Generating sustainable funding**

- 7.4.1. The generation of additional income streams to supplement core funding which have resulted in the Company regularly generating additional revenue of 35% over and above City Council core funding in recent years. Sources of income have included the following.
- 7.4.1.1. Over £2.5m in ERDF grants covering 6 years (including retrospective funding) and over £300,000 from Advantage West Midlands. The projects cover improvements to city centre reality, perception and inward investment; the Business Vitality Programme; a major Events

programme; a Coventry Ambassadors Programme; Wardens; tourism and the award winning [www.visitcoventry.co.uk](http://www.visitcoventry.co.uk) website.

- 7.4.1.2. A Public Service Agreement (PSA) reward grant of £540,000 over 2 years (2004-6) based on delivery of stretch targets on perception, footfall, cleanliness, reduction of voids and spend on the city centre.
- 7.4.1.3. Formation of joint venture companies with strong potential for commercial income growth and provision of added value city centre facilities; selling services to third party customers based on our core competencies, such as car park management and CCTV monitoring. These commercial activities generated an additional £546,787 towards city centre projects in financial year 2006-7.

## **7.5. Generating third party investment**

- 7.5.1. A noticeable reduction in the level of retail/leisure voids.
- 7.5.2. The development and delivery of the unique and award-winning Business Vitality Programme to provide support for high quality independent retail and leisure outlets to broaden the choice for visitors. 19 new businesses were created as a result.
- 7.5.3. Production of inward investment packs giving high quality information for potential inward investors. The identification and targeting of desired retail and leisure brands. The brand range has improved significantly in the last three years with the most recent additions being Primark, Starbucks and IKEA.

This brief overview of past achievements shows quite clearly the breadth and volume of activity undertaken by CV One and the increasing impact it is making at a local, regional and national level. It also demonstrates the benefits of businesses working together in partnership with each other and with the Local Authority through a partnership company such as CV One.

The BIDs legislation provided a timely opportunity to develop this partnership working to the next logical stage – spreading the benefits and the costs of extra project work equitably to all businesses, so avoiding “free loading” by those businesses which were unwilling to contribute to a voluntary scheme.

Some examples of the projects and achievements which have put Coventry at the forefront of BID success in the U.K. are shown below.

### Major successes through BID funding

- A key achievement in increasing visitor footfall at a time of fierce local competition and a suppressed retail economy

- A significant increase in cleansing standards through the purchase of otherwise unaffordable, state of the art equipment
- Zero tolerance of graffiti and fly-posting through the funding of a specialist Maintenance team
- A huge boost to the presentation of the city centre through an additional £ 90,000 p.a. on planting, resulting in increased visitor perceptions and nationally recognised awards
- Increased awareness and influence of generic marketing activities in increasing perceptions and stimulating propensity to visit
- A market leader publication in “Feel Alive” a free high quality lifestyle magazine with a circulation of over 100,000
- Increased feelings of safety in the leisure economy though the presence of the Evening Ambassadors team, borne out by survey research
- State of the art radio communications, preventing and tracking retail crime as part of a sophisticated surveillance network
- Pioneering 24 hour camera-based footfall measurement and analysis
- Sophisticated consumer research to understand customer perceptions and wants
- A major Christmas shopping marketing campaign, including substantial regional TV advertising which alone cost over £44,000
- The development and funding of a marketing strategy and plan for the South City Traders Association

The success of these extra projects, made possible by the additional funds generated by the current BID, has been dramatic. Particularly so at a time when the city centre’s need has been greater than usual, as local competition continues to reach new heights.

## **8. Programmes of Work for the BID 2008-2013**

The programmes of work for the BID can be summarised under the five Strategic Priorities outlined in Section 2.

### **8.1 Understanding and addressing customer needs**

8.1.1 The BID will adopt, adapt and extend the current extensive system of performance monitoring operated by CV One that measures the state of health of the city centre (see Section 7.1). Some of these measures are based on survey methods initially undertaken by CV One which the BID will continue and these are explained below. The data will be reviewed regularly by the BID Sub-committee, and annual performance data will continue to be available to all levied businesses.

8.1.2 Annual visitor survey. These have been conducted by CV One every year since 2000 and we also have data from earlier surveys, so we now have historical trend analysis of the results. The survey is conducted in the late summer and the number of respondents is over 1,100 with quotas for various factors, including postal code areas. It covers people's reasons for visiting, their perceptions and what factors are important in determining where they visit, frequency of visits, postal address and socio-economic group etc. All research reports will be made available on request to levied businesses.

8.1.3 Qualitative focus group research as required to explore in detail issues identified in the above quantitative surveys as a means of more accurately directing the future actions of the BID to exploit opportunities, address issues and correct problems. All research reports can be made available on request to levied businesses.

8.1.4 The development and expansion of the annual programme of general and project specific research established since 2003, (including the annual Christmas Marketing campaign evaluation and events exit surveys) to investigate topical issues or evaluate regular research findings in greater detail.

8.1.5 Daily footfall measurement. CV One has access to extensive data on footfall:

8.1.5.1 State of the art camera based 24 hour automatic counts at 13 different locations covering the day and evening economies.

8.1.5.2 Confidential access to automatic counts from landlords at West Orchards, Lower Precinct and Orchard Link used in aggregate footfall figures.

8.1.5.3 All CV One footfall data can be viewed by levied businesses on request.

8.1.6 CV One's Research Team will also continue to conduct research relating to other parts of the company's business that does not fall directly within the remit of the BID, but will benefit city centre businesses through increased visitor numbers, such as the regular exit surveys for the free city centre events programme. Some of this also relates to CV One's responsibility for the promotion of tourism into the city and its sub-region – both leisure and business tourism.

8.1.7 The activities of the Research Team will continue to be under review to determine how best to support the aims and activities of the BID.

## **8.2 Changing reality**

8.2.1 The BID, in conjunction with CV One, will provide a comprehensive package of measures to make Coventry city centre safer for visitors, residents and workers. This package is more extensive than any other BID can provide. CV One's market research shows that safety is still consistently one of the top three reasons for choice of a centre to visit and the BID will continue CV One's absolute commitment to delivering a safer city centre.

8.2.1.1 A modern, extensive system of 650 radios linked to the Control Room and to the Police.

8.2.1.2 A team of four Evening Ambassadors who patrol the streets on the busy nights (Wednesday- Sunday) through until the early hours of the morning, providing assistance/help/information for visitors, eyes and ears for the police and an ability to defuse situations before they become violent.

8.2.1.3 A new full time on – street role of Security Liaison Officer to address safety aspects of city centre management including anti-social behaviour and the maintenance and training requirements of the retail radio system.

8.2.2 Additional measures to improve the cleansing of the city centre will continue to be introduced. The BID recognises that cleanliness is also consistently one of the top three factors determining a visitor's choice of where to visit.

This package of measures (see below) is enhanced because CV One has a contract with Coventry City Council to deliver their statutory obligations in terms of cleansing the city centre. This provides a critical mass of capability that no other BID in the UK can match.

**N.B.**The contract with the Council forms part of CV One's core funding and the Council has committed not to reduce that core funding during the life of the BID. CV One already adds to the services provided under that contract through a partnership arrangement with its current contractor – English Landscapes – that generates significant added value. For instance, since 2004, CV One has added an extra night shift to clean the city before daytime visitors arrive. This contract has recently been renewed to cover the bulk of the period of the new BID.

The additional resources provided by the current BID have delivered:

8.2.2.1A new machine (using high pressure hot water and a scrubbing action) for the deep cleansing on a regular basis of the city centre's hard surfaces. It can be operated by one man, without the need to partition off the area being cleansed, and in one pass can remove grime, stains, chewing gum and small debris making an immediate and noticeable difference to the appearance of the precinct/streets. A remote hand operated attachment ensures that even awkward corners can be reached.

8.2.2.2 A rapid response Maintenance team of 4 people, which can be supplemented by resources from the core contractor as required. In brief they:

- ensure that the city centre has no graffiti and no fly-posting
- conduct repairs to street furniture, painting and the fixing of additional litter bins – all done promptly
- respond to reports of accumulations of litter, graffiti and fly-posting from CCTV cameras, Customer Service Assistants, wardens, cleansing contractors, members of the public and businesses
- the new BID will fund the purchase of specialist equipment to remove cigarette ends from paved areas. This is particularly important to keep the precinct clean since the introduction of the smoking ban in July 2007 has forced many smokers outdoors

8.2.3 The BID will seek to enhance the environment of the city centre, to soften the harsh architecture and to provide attractive places for visitors to relax. The BID recognises that the third consistent factor in a visitor's choice of where to visit is an attractive environment. CV One's surveys have shown that visitors notice and appreciate the floral displays and attractive parks that Coventry city centre now provides.

8.2.3.1 The BID will deliver attractive planting of flowers, shrubs etc and good maintenance of all green areas in the city centre.

8.2.3.2 The BID will annually enter the city centre into the Britain in Bloom awards and support that entry with appropriate additional planting.

8.2.3.3 In addition, CV One will seek to extend and/or replace the festive lighting schemes and to enhance new developments within the public realm and refresh existing schemes, but this will be funded from outside the BID Business Plan.

8.2.4 The BID recognises the need for a sustained and proactive campaign to lobby the City Council to improve the reality of the city centre by:

8.2.4.1 Maintaining ease of access through improved public transport links, pedestrian links and improvements to gateways, visitor signage, maps and infrastructure.

8.2.4.2 Proactive disruption planning to anticipate and minimise inconvenience to visitors, particularly protecting the key Christmas/New Year trading period.

8.2.4.3 Improving existing visitor attractions through high quality, short term redevelopment schemes and improved maintenance programmes.

8.2.4.4 Ensuring that the retail element of the Coventry Development Plan is delivered in a way which improves the quality and diversity of the overall product offer and protects the role of the city centre.

8.2.4.5 Continuing to support and promote investment in city centre improvement schemes.

8.2.5 The BID recognises that good car parking facilities are vital to attract visitors with higher disposable incomes, who our research shows normally access their shopping destinations by car. These are the visitors who are able to positively impact on the vitality of the city centre. It also recognises the importance of the availability of good car parking facilities for businesses in the city centre – both for their clients and for their staff. The BID and CV One will work with the City Council in its present review and development of a Car Parking Strategy for the next ten years to include:

8.2.5.1 Consultation on any transport related policies that will have an effect on the growth, development and vibrancy of the city centre.

8.2.5.2 The development of high quality, customer friendly replacement parking stock to maintain current levels of parking spaces within the city centre.

8.2.5.3 The delivery of an ongoing and effective maintenance programme on all permanent sites.

8.2.5.4 The review of car park pricing policy with an acknowledgement that car parking has a strategic role to play in attracting and encouraging the dwell time of city centre visitors.

8.2.5.5 The identification and agreement of realistic income targets measured against space availability and consumer demand.

8.2.5.6 The continuation of a robust policy with regard to the Disability Discrimination Act promoting easy access for the disabled.

8.2.5.7 The continued ease of access for the car-borne passenger during the ongoing development schemes.

### **8.3 Changing perceptions**

8.3.1 The BID will run marketing campaigns for the city centre to attract visitors to its leisure and retail offer. CV One has been successfully marketing the city centre for a decade (see Section 7.2) and through post campaign Market Research has been able to identify the most effective forms of communication with its target audience. These include adverts on buses, radio, press, posters and TV campaigns. The BID will continue the partnership with the private shopping centres in the city centre which has previously resulted in co-ordination of the messages in the various independent campaigns and joint funding of some elements of the overall campaign.

8.3.2 CV One has produced a regular, glossy lifestyle magazine "Feel Alive" issued three times a year and now delivered to over 100,000 homes around Coventry and Warwickshire. This has strongly promoted both the city centre and the individual BID businesses within it. The magazine will continue to contain editorial content that promotes both the city centre and again businesses within the BID. It will also provide an opportunity for BID levied businesses to advertise and so to take advantage of its highly targeted circulation and its competitive charges.

8.3.3 The marketing activities, PR, events and tourism promotion have all benefited increased resources since 2005. None of the staff costs from these areas within CV One are charged to the BID Business Plan – there are in total 21 members of staff employed in this area.

### **8.4 Generating sustainable funding**

8.4.1 The BID will develop programmes and control mechanisms to ensure that opportunities to identify, secure and retain grant funding are maximised.

8.4.2 It will also develop opportunities to sell advertising / trading space in the city centre, to include:

8.4.2.1 Optimising street trading revenue by continuing a pro-active approach to attract higher levels of good quality street trading that enhances the trading environment and vitality of the city centre.

8.4.2.2 Investigate and exploit opportunities for selling advertising space in the city centre including gateways, bridges and roundabouts.

8.4.3 Develop opportunities to sell CV One's services to third parties including:

8.4.3.1 Car Park Management

8.4.3.2 CCTV monitoring

8.4.3.3 Radio systems

8.4.3.4 Facilities management

8.4.3.5 Conference/event management

8.4.3.6 Market research

8.4.3.7 Consultancy/seminars

8.4.4 The BID will identify and evaluate new opportunities to develop profitable business activities based on the core competencies of CV One and the BID and points of differentiation from potential competitors. (An example of this might be negotiating the use of existing cable infrastructure e.g. for telecoms companies and for CCTV, mobile phones, WiFi and so on).

## **8.5 Generating third party investment**

**N.B.** This forms an important part of the total programme that the BID will encourage and support, but the resources applied to this programme will be provided by CV One outside the BID Business Plan (see Section 9).

## **9. Programmes of Work for CV One Linked to the BID**

Before the formation of the BID proposal, CV One was already active in areas that will fall outside the remit of the BID for reasons explained above (see Section 3.4). Most of this activity is nonetheless beneficial to the city centre, either directly or indirectly. Appendix 6 gives an abridged version of the latest CV One Business Plan, covering the period 2008-2013 which is co-terminus with the new BID, so that stakeholders and businesses can view the extent and funding of such activities. For ease of reference the following summary of CV One's work programmes identifies the most important areas where CV One is active that benefit city centre businesses.

### **9.1 Understanding and addressing customer needs.**

The work of CV One under this heading is fully described under Section 8, but the salaries of the staff involved in carrying out the work are not included in the BID Business Plan.

### **9.2 Changing reality**

9.2.1 The CCTV Control Room, manned 24/7 and actively monitoring nearly 300 CCTV cameras. The BID will seek to support further extensions to the camera network.

9.2.2 A team of 23 Customer Service Assistants.

9.2.3 A dedicated Management Team to provide on the spot operational support for CV One's activities in the city centre, security advice for businesses, crime reduction activities and liaison with the Police.

9.2.4 Exclusion orders for retail and leisure premises.

9.2.5 Anti-Social Behaviour Orders (A.S.B.O.s) and Criminal A.S.B.O.s, in conjunction with the police, for persistent offenders.

9.2.6 A software system for analysing crime patterns to assist the use of wardens; CCTV and to provide information for the police.

9.2.7 Membership of a regional crime initiative that provides information on travelling criminals from elsewhere in the region.

9.2.8 A strong partnership with West Midlands Police.

9.2.9 Security training and advice for businesses.

9.2.10 Data protected information on regular criminals.

9.2.11 Assistance for lone staff at night walking to car park.

### 9.3 Changing perceptions

9.3.1 CV One has a professional PR department and this is supplemented by a contract with a very successful local PR Agency. The full costs (both staff and external costs) for this highly effective PR activity will be met by CV One from resources outside the BID Business Plan, but the benefits will flow directly into the BID. This service has a major impact on visitor perceptions of the city centre.

9.3.2 CV One runs a £1m plus events programme each year. Funding for the programme comes from Coventry City Council, grant funding and CV One. A significant number of these events have taken place in the city centre and attract large and increasing audiences. Market research has shown that a large proportion of those who attend these events are then more likely to visit the city centre more frequently. The strategy is to encourage people to try visiting Coventry, because the majority of those who do are pleasantly surprised. Events have included:

- The Godiva Festival, which is the largest free family festival in the UK (this year it attracted over 75,000 visitors) – it takes place in the Memorial Park just outside the city centre, but includes a Godiva Procession, which starts in the city centre itself.
- Events in the Lower Precinct.
- Christmas Carnival of Lights, with big name personalities to switch on the lights. This attracts around 25,000 people to the city centre.
- Continental and Farmers' markets.
- Specific events for sections of the community, which have been produced have included Chinese New Year, Vaisakhi and Diwali.
- A programme of Festivals including themed markets and funfairs e.g. Valentine's, Halloween.

9.3.3 CV One also promotes both leisure and business tourism to Coventry and its sub-region. It does this through a joint conference and accommodation booking service with South Warwickshire Tourism, through the production of a range of visitor and travel trade literature, through attendance at conferences and exhibitions, through road shows and through familiarisation visits. This attracts significant numbers of visitors to the city and encourages repeat leisure visits. As part of the Tourism brief CV One also hosts the prestigious sub –regional Godiva Awards ceremony, this year returning its original venue in the Belgrade Theatre.

## **9.4 Generating sustainable funding**

The work of CV One under this heading contributes greatly to the BID's ability to add value to the BID Levy funds through underwriting additional activity. The salaries for the staff involved in raising the additional funds are paid for by CV One. The work also generates significant spin-offs which benefit the city centre, such as the enlivening of the city centre through street dressing and Festival activity.

## **9.5 Generating third party investment**

The active recruitment of new tenants and investors within the city centre to enhance the overall quality and diversity of the product offer. This will include:

- 9.5.1 The promotion of opportunities to develop the commercial, retail and leisure sectors within the city centre, thereby revitalising the office economy by attracting inward investment.
- 9.5.2 The development of initiatives to attract national government / commercial headquarters, working in partnership with the City Council.
- 9.5.3 A sustained and proactive campaign to support the City Council in attracting mixed use investment including hotels, commercial / office space and residential developments.
- 9.5.4 A sustained and proactive campaign to persuade the City Council and private sector landlords to continue to develop and improve their existing investments within the city centre to improve the overall product offer.
- 9.5.5 The development of the City of Coventry Ambassadors programme to encourage its membership to become more aware of economic development priorities and pursue inward investment opportunities within their own field of work.
- 9.5.6 The development of a Conference Ambassadors Programme to target events and exhibitions which enhance the city centre's profile and generate economic growth in the leisure and business tourism sectors.
- 9.5.7 The development of CV One's research capability to support city centre economic development priorities and objectives.