



Coventry Technology Centre  
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Coventry  
CV1 2TT

April 2010

Dear Levy Payer,

It is our considerable frustration that we see that Coventry City Council (CCC) acting as the Billing Authority, has demanded another Levy from the business community.

Since becoming directors of the BID company in September 09, we have uncovered incompetence, profligate misuse of levy payers' monies, bizarre financial arrangements, and questionable actions in the previous administration of this company. It has taken 6 months of hard work just to uncover all this.

The current Board of Directors (all voluntary work!) have been so concerned about this that we engaged a QC for legal advice. It is his opinion that Coventry City Council have acted illegally by withholding the 2009-2010 levy which was collected on behalf of the BID company, and which should have been transferred to it to service activity. The CCC have taken upon themselves to call in a loan two years prematurely. This loan of Levy Payers' monies, on which they charged 5.75 % interest (!!) was originally intended for the purchase of equipment for the ICT project and also to service the very considerable charges from CV One and the Chamber of Commerce for camera monitoring (even if not installed!) the Godiva festival and Godiva Awards (!) and to enable BID company to pay for the Chambers hired 'Business Champions'.

You may question the whole concept behind all these projects.

This Council loan to Coventry Best for Business (CB4B) was not in the original business plan. The plan stated the transfer of monies should have been *between CV1 and the Council*, and should never have involved the CB4B directly. We have been constantly assured by the 3 players that this business plan was the 'Bible' for the BID company activity. Evidently not! As CB4B is denied levy money by the Council, it is technically insolvent as it cannot pay its main creditors, namely CV One and Coventry and Warwickshire Chamber of Commerce and others who patiently wait.

There is no possibility that any of the services originally promised by CB4B but orchestrated by the CCC and Chamber and CV One can be supplied or continued by CB4B, given the immediate situation. We suspect that the whole planning was seriously financially flawed from the start, quite apart from these grandiose projects.

Our efforts to bring about an Alteration Ballot have been constantly thwarted by CV One and The Chamber. Despite two public meetings and our questionnaires sent out to levy payers to gauge opinion; with more than 90% of more than 1000 votes on paper or at two public meetings wanting the BID company and all this activity closed down as soon as possible, these two organisations have questioned the validity of the consultation process at every step, and refused point blank to accept the resulting opinion. Even their own consultation gave an over whelming vote against it. Also the Chamber members themselves voted 75% to close the whole thing down.

It is our understanding from a member of the Council, that this new levy demand is only to pay off in full, all of the public sector organisations responsible for the birth of this catastrophic venture and is not for services to the Levy Payers.

As stated, we have been advised by a Queen's Counsel that these actions by the Council are unlawful, and we would suggest you write to the Council to obtain a written detailed explanation of why they disagree with this opinion. You may also wish to request a full financial statement which, to comply with the law, the Council should have made available to you before another levy demand was made.

'Mr Chris West Finance Director, Coventry City Council has requested a meeting. We agree with his suggestion, and think this would be an opportunity for him together with Mrs. Millet from CV One, and Mrs. Bennett from the Chamber of Commerce, to explain to the levy payers directly, why it is necessary to waste further money on the significant costs involved in appointing a receiver to stop this Levy. We would suggest that your payment of the 2010 - 2011 levy should be postponed until this meeting has taken place, as has already been stated, there is some doubt over the legality in issuing this levy, which Mr West may well be able to clear up during the proceedings'.

From The Board of Directors