

DEWSBURY ARCADE

ARCADE GROUP BUSINESS PLAN

Table of Contents

Executive summary	2
Arcade project description	3
Strategic importance	3
About the Arcade Group	5
Strategy of the Arcade Group	6
Inclusivity	7
Governance	7
Arcade Group governance structure	8
Composition of the Board	8
Form of governance	9
Financial Control and Procurement	9
Share Issue	10
Share Marketing Plan	11
Engaging Arcade members and the community	12
Operational Model	14
Manager or Agent?	14
Staying connected to the community	16
Day-to-Day Management	17
Opening Times.....	17
Tenant management	17
Event management	18
Role of the manager	18
Market Appraisal	19
Principal Findings.....	19
SWOT Analysis of the Dewsbury Arcade	20
Marketing plan	21
Finding tenants	22
Larger end units	22
Smaller internal units	22
Art studios	22
Moneypennys - Office / Workshop Space.....	22
Keeping the Arcade full	23
Attracting shoppers	23

Financials	25
Demand for units	25
Level of rents	25
Sustaining consumer demand	26
Financial Tables	26
Cash Flow analysis	29
Make up of non-recoverable Arcade Group Expenses in Cash Flow	30
Risk register.....	31
Appendix 1 – Arcade Group Board.....	31
Appendix 2 – Standard Operational Procedures Manuals	32

Executive summary

The business plan details how Dewsbury Arcade will be run organisationally and financially by the Arcade Group from the re-opening of the Arcade in early '25. The business plan supports the Share Offer Document that seeks to raise £150,000 to enable the Arcade Group to run the arcade.

Dewsbury Arcade will be the first community run shopping centre in the UK (and possibly the world). The partnership developed between Kirklees Council and The Arcade Group (Dewsbury) since 2020, represents a new way of tackling high street decline, by combining local authority long-term stewardship with local commitment and entrepreneurialism.

Dewsbury town centre is in serious economic decline, but remains one of the most impressive of Britain's Victorian town centres. A combination of a vibrant Arcade and refurbished Market can start to draw back the 2 million people that live within 10 miles of the centre.

National Lottery Heritage Fund Development Stage funding allowed us to build a robust plan that shows how:

- The Arcade Group will manage the Arcade
- Tenants and shoppers will be attracted
- The Arcade will be financially successful and recirculate the profits into the business
- Heritage will be protected and the community involved in its running, activities and learning
- The Arcade will activate general town centre regeneration and turn the tide on pervasive cynicism

Arcade project description

The project involves reopening the vacant Grade 2 listed Victorian Arcade in the heart of Dewsbury, for small, local, independent businesses. Refurbishment work is expected to start on site in early '24 with the Arcade opening in early '25.

The Arcade is a cherished part of Dewsbury's heritage landscape and was recognized as such in Historic England's response to the Planning Application in September 2021

"Dewsbury Arcade is a very interesting collection of buildings in a highly prominent part of Dewsbury Town Centre. Unfortunately, the complex has been vacant and deteriorating for several years and we are keen to see a scheme secured here to support the wider aspirations of the Dewsbury Blueprint and the Heritage Action Zone. The complex comprises three separate listed buildings (all grade II) and is located in a prominent position in the Dewsbury town centre conservation area, adjacent to several other listed buildings.

The proposed uses appear compatible with the character of the different spaces within the arcade and the mixed-use approach should support the "living town" concept for Dewsbury, providing services for local residents and the potential for activity beyond regular retail hours."

The buildings are in very poor condition, having been vacant for six years and having little or no maintenance over the decade before that. After considering all options, Kirklees Council purchased the Arcade from the private owners in May 2020, appointing the design team at the end of the year.

Works will involve the repair and reconfiguration of the building, all to high heritage standard, allowing the space to be re-occupied with greater user flexibility.

The project will deliver 20 refurbished ground floor business units suitable for a variety of uses within retail and leisure. 16 will be small, (15 - 30 sq m) with 4 larger street-facing units of two or three floors and 8 first floor studio spaces. The inclusion of Moneypennys (18 Corporation Street and 17 Foundry St) in the project adds 157 sq m of office and workshop space, making total useable commercial space c.993m².

The project is forecast to create 16 full time equivalent construction jobs, and house 28 businesses (15 new business and 30 new jobs)

Strategic importance

Dewsbury Town Centre is at the heart of the North Kirklees Growth Zone, identified in the Leeds City Region Strategic Economic Plan. Although offering the opportunity for growth, the area lags behind on a range of socio-economic and environmental measures compared

to the rest of Kirklees and the UK as a whole (both Dewsbury East and West wards are in the bottom 20% of the Index of Multiple Deprivation).

The town centre has particularly suffered over the last ten years, pedestrian footfall has declined dramatically, especially since the recession of 2008/09. The number of Saturday visitors has dropped by more than half over the past 20 years and by 2019, 30% of town centre properties were vacant. If Dewsbury is to fulfil its potential it needs a vibrant town centre. The future of the Arcade is central to this.

The Grade II listed arcade is at the centre of Dewsbury and has been vacant since July 2016. Its future is, along with the adjacent market that is undergoing refurbishment, critical to activity and morale in the centre of the town.

The Arcade is a key project within the Dewsbury Town Centre Strategic Development Framework that was approved by Kirklees Council in January 2019 and is critical to one of the three aims – ‘to increase activity in the town centre’ – and reverse the long-term drop in footfall.

Key Dewsbury strategies and initiatives

Dewsbury Blueprint	Strategic plan for town development to 2030
Dewsbury Townscape Heritage Initiative	2013 to 2020. £3.6m. Refurbishment of Pioneer House for Dewsbury College + 18 heritage properties improved
Dewsbury Town Investment Plan (Town Fund)	2022 to 2026. £25m. 9 town centre projects of which Arcade is one

The Arcade features in similar terms in the Local Plan and was a reason for the Town Centre Conservation Area being awarded Heritage Action Zone status in 2013, as one of the historic buildings that were underused and at risk of further deterioration.

The Arcade is not a lost cause. It survived the 2008 recession and was still fully occupied in 2011. However, the absentee owners who had purchased the building at the top of the boom in 2007, invested nothing and managed it poorly. Combined with more general retail trends, the Arcade was left with 2 tenants by the end of 2014. An attempt to revive the Arcade was made in 2015, when a community interest company, the Dewsbury Pioneers, took the lease, but the revival was not fast enough to make the lease payment affordable.

The owners were clear that they did not intend to invest further and expressed a willingness to sell. After due process and consideration of the compulsory purchase route, the Council bought the property in May 2020.

Since that point, Kirklees Council have assembled a funding package for purchase and construction of c.£9m.

Importantly, the property market report commissioned by Kirklees Council from AspinallVerdi recognized that there was still a demand for the small units offered by the Arcade and that it was larger units falling vacant. This project is about creating

opportunities for businesses on a basis that is not currently available in Dewsbury and other examples of arcade regeneration projects act as a precedent for the project.

About the Arcade Group

- Established 2020 as an unconstituted association to bid to Kirklees Council for the lease on the Arcade
- Board membership convened by Chris Hill in his capacity as part-time Kirklees Council Arcade Project Manager
- Constituted as 'The Arcade Group – Dewsbury' community benefit society in March 2022 (registration number 8816). All Board members live or work locally.
- Objectives of the Society are “to carry on any business for the benefit of the community and in particular Dewsbury (the “area of benefit”) by furthering the social, economic and/or environmental interests of people who have lived and/or have worked, or who now live and/or work, or who want to live and/or work, in Dewsbury by some or all of the following means:
 - (a) Promoting, facilitating, supporting and developing community-led initiatives aimed at regenerating the area of benefit, including but not limited to housing, property development, community facilities, community businesses and renewable energy;
 - (b) Providing information, advice, assistance, training, support, facilities, amenities and services incidental to the provision and promotion of community-led regeneration initiatives;
 - (c) Promoting arts and culture in the area of benefit.
 - (d) Relieving poverty and hardship in whatever ways the directors think fit.
 - (e) Carrying out any other activity that the directors consider would further the social, economic and environmental interests of the area of benefit.The Objects of the Society may be amended in accordance with these Rules. The amendment takes effect when accepted for registration by the Authority.”
- The Group aims to bring together other businesses, promote Dewsbury and fill empty shops and in July '23 began an 18-month business networking and events programme.

In Jan 2022, after development of a business case supported with £15,000 from the Architectural Heritage Fund, Kirklees Council agreed to grant a 10-year lease to the Group on completion of refurbishment, subject to evidencing a viable business plan and completion of a successful community share issue.

Public awareness of the project is high (e.g., 1700 Facebook followers, 700 people responding to recent survey), but the Group limited public engagement work until there was more certainty about the project progressing. Open work began Heritage Fund grant aided Development Stage in July '22

Strategy of the Arcade Group

Success will come from:

- Not accepting the first tenants to offer rent. Providing an attractive mix of uses that offer more than straight retail and don't already have a presence in Dewsbury
- Keeping rents on small shops competitive, with flexible leases suitable for start-ups, encouraging move on to larger properties in the town centre if successful
- Attracting tenants that sell on line and will not be relying solely on footfall
- Developing an organisation led by local entrepreneurs that pull businesses and residents together to promote the town and start to turnaround the pervasive pessimism.
- Building an Arcade that fuses the different cultures and communities of the town
- Creating a movement of supporters through the community share issue and membership drive. The share issue will be shariah compliant.
- Using events in the Arcade passageway and Events room (markets, music, tenant taster days etc) to raise the profile and attract residents
- Using the Arcade and Market as levers to attract people back to town (2m people within 10 miles), working closely with Kirklees Council Market management
- Working with all other bodies – Chamber of Trade, Kirklees College, Town Board etc to create a momentum of success
- Exploiting the quality of the Arcade and other heritage buildings in the town centre to make Dewsbury a West Yorkshire destination

5 years from opening success will look like:

- An Arcade that is 90% full with over half the businesses having started up in the Arcade and a steady movement of small shop tenants expanding into larger premises in the town centre.
- Businesses offering goods and services new to Dewsbury and capable of attracting visitors
- Tenants that are active on-line and organise activities as well as selling over the counter
- Four anchor tenants in the street-facing units that provide the meeting places of the Arcade and open in the evening
- An events room that is booked day and evening for a range of social and tenant uses

- A thriving artist community based around the eight studios offering open days and exhibitions in the Arcade.
- Use of the Arcade passage for markets, music events etc
- An Arcade Group that brings residents and entrepreneurs beyond the Arcade together in an effort to turn around the town centre
- A skilled and locally rooted Arcade Group Board that expands its interest into buying, renting and activating other town centre properties as well as working with Dewsbury Market and other partners to build the attraction of Dewsbury
- A financially strong Arcade Group business capable of building a sinking fund and investment pot

Inclusivity

The Group is committed to reflecting the local population at all levels of its operation – Board, society members and tenants – making sure that all sections of the community are involved and that the shops in the Arcade reflect the cultural mix.

Of the eight Board members, three are Asian heritage and three are women. We intend to expand the number to 10 and bring it into ethnic and gender balance, working with partners to identify those with necessary skills.

General engagement of women is over 50% (respondents, attendees and Facebook followers), but the Heritage Fund development stage showed engagement from the Asian community to be around 20% of the total (Facebook followers), less than that at public events, and only 10% of those that responded to the on-line survey identified as Asian or British Asian. This contrasts with 40% of the local population being of Asian heritage. The Board has developed a community engagement programme to address this imbalance.

Governance

The Arcade Group is a democratic organisation with key decisions being made by its members. When a person buys shares, they become a member. We are very keen for our members to take an active part in the work we do.

General meetings will be held at least once a year. All the members have one vote at general meetings, no matter how many shares they have. At each meeting, members elect some of the directors (the elected directors have a majority on the board). Any member can stand for election.

Kirklees Council as the applicant will be granting a full repairing 10-year lease to the Arcade Group on completion of the refurbishment (subject to undertaking a successful community share issue and evidencing demand). The terms of Agreement to Lease, containing full details of the lease itself, has been agreed and will be signed before the start of the construction work

All conditions of the Heritage Fund grant will be included in the lease and be fulfilled by the Arcade Group. Terms are around caring for the building in a proper manner, letting to appropriate tenants, completing monitoring reports etc. Failure to comply will lead to the rescinding of the lease and Kirklees Council taking back ownership and control of the Arcade.

The relationship between the Arcade Group and Kirklees Council during the delivery phase is expressed in a Partnership Agreement.

Once the lease is taken up, all responsibility for making a success of the Arcade lies with the Arcade Group.

Arcade Group governance structure

The arcade has received significant financial support from the local authority, national government and the National Lottery Heritage Fund to re-establish itself as a retail property asset which will benefit the social and economic interests of Dewsbury.

The proposed governance structure is designed to support The Arcade's systems, guidelines, processes and framework to help achieve this mission.

The current membership of the Board benefits from members bringing their professional skills and talents that will be used to support the Arcade Manager. An expansion of the Board (currently 8) is under consideration. All board members will serve based on their willingness to achieve the interests of The Arcade and will be accountable collectively.

With this governance model, the Board will be advisory and will extend a high level of trust and confidence in the Arcade Manager in the running of the business for the first 12 months. While the Board will act as second in power, The Arcade Manager and the Board will work together, and the Arcade Manager will update and report regularly to the Board and seek their advice. The Board will appoint the Arcade Manager.

Composition of the Board

The Board will be elected annually by members who are the shareholders at the AGM on a one-member-one-vote basis. Members stand for three years, a third of the Board retiring annually. The Chair shall be elected by The Board. The Chair will work closely with the Arcade Manager.

The current Board (Appendix 1) has sufficient general business experience (and includes a commercial solicitor) but will seek to attract further specialists in facility management, accountancy and marketing as well as commissioning specialist training prior to opening. Attention will be paid to retaining a good balance of gender and ethnicity.

Board members have already made trips to Arcades in Hull, Keighley and Cardiff to talk to learn from managers and owners the techniques of running a successful Arcade and will

draw on the skills of supportive entrepreneurs who don't want to take on full Board membership.

The Board and Arcade Manager will develop strategies to deliver excellent customer experience and to support the growth of sales. If these skills are not present within the Board, then they will require input from a marketing and leasing professional respectively. Developing, managing and scrutinising the tenant-mix strategy, will be fundamental to the driving of footfall and turnover.

Form of governance

It is important that the Board focuses on policy, strategy and oversight and does not try to micro-manage the Arcade Manager. At the same time, we need to find ways of involving members in the development of the strategy.

The type of tenant we have in the Arcade will be critical. They have to be interesting, attractive and ethical. We want independent businesses offering something new to the town. We will not be letting to gambling, vaping, takeaways etc. We will develop a detailed lettings policy after listening to what our members have to say. An Arcade review meeting will be held with shareholders at least once a year.

We are keen to explore approaches that better reflect the important but separate operational roles of managers and oversight role of the board and goal setting role of the membership than is the case with standard UK corporate governance approaches

Financial Control and Procurement

Construction Stage

The Group will appoint a Heritage Link Worker and Marketing firm after the share issue, the Arcade Manager (mid '24) and Caretaker and Bookkeeper when appropriate.

Opportunities will be advertised through recruitment site 'Indeed' and community newspapers as well as through our partners and social media. A minimum of 5 marketing consultants will be invited to tender.

Chris Hill as project manager will be responsible for organising contracts, issuing purchase orders, paying invoices, submitting and evidencing claims to Kirklees Council and providing any financial information required.

General

The Board will set an annual budget. The bookkeeper will compile management accounts on a monthly basis and the manager will present these to the Treasurer (Sarah Barnes) and Board (two monthly cycle), highlighting variances. Payroll will be undertaken by the Bookkeeper or accountant and VAT payments by AMS accountants.

In the absence of a manager, the bookkeeper will report directly to the Board alongside the Managing Agent.

The accounts will be shared quarterly with funders and Kirklees Council, with review meetings annually or more regularly as required. AMS accountants currently produce the annual accounts

Share Issue

Raising £150,000 in the share issue in autumn '23 is essential in providing the cash cushion to finance the pre-opening costs (marketing and employment of manager) and any potential shortfall in the period of building occupancy. The intention is to achieve the 82% occupancy rate that will allow us to repay all investors within 5 years of The Arcade opening.

Kirklees Council will invest £25,000 on condition of £75,000 being raised from other sources and the result of an application to Co-operatives UK for £25,000 matched investment will be known in early November.

The Reach Fund (£12,000) and Co-operatives UK (£10,000) have grant aided the preparations for the community share issue – producing the prospectus, legal costs in making it shariah compliant, marketing etc.

The Society was happy to adapt its rules to conform to Shariah principles (principally not taking out interest bearing loans or investing in anti-social activities such as gambling). We believe this is ethically worthwhile and protects investors against irresponsible borrowing. We are working with Co-operatives UK on what will be the first such community share issue in the UK

Within the 82% occupancy cashflow, the provisional allocation of the share investment in the first year would be

Marketing - £30,000
Arcade Manager - £32,000
Development Director - £12,000
Cash flow support - £26,000
TOTAL - £100,000

Leaving £50,000 as cash reserve to deal with the unexpected or drop in rental income

The minimum investment we need from the share issue is £100,000. If less than that is raised, your money will be returned and the lease will not be taken up. The maximum we can raise is £200,000 as above that level, we do not feel we could realistically get money back to shareholders within the initial 10-year lease we will have from the council.

If we only achieve £100,000 investment and no more than 60% occupancy is achieved, reserves will be reduced to £10,000, Marketing will be reduced to £20,000 and the Development Director's payment withdrawn.

If we achieve £200,000, the £50,000 additional investment will not be spent initially. We will review the needs of the Arcade over the first year and make decisions over what to spend the additional capital on (which might include retaining it for cash flow support, or facilitating withdrawal if it is surplus to our requirements).

The share campaign, run on the theme of backing the UK's first community run shopping centre, will be a tremendous opportunity to raise the profile of the Arcade and indeed the National Lottery Heritage Fund. The campaign will seek maximum national exposure as one of the solutions to the High Street crisis, as well as digging deeper local roots and increasing the membership.

Share Marketing Plan

Target investment £150,000. (Minimum £100,000. Maximum £200,000)

Institutional investment - £25,000 Kirklees Council (confirmed subject to reaching minimum target), £25,000 Co-operatives UK (subject to application) + £20,000 investment from Arcade Group Board members (confirmed).

Leaving £80,000 to be raised from local residents and wider public. The campaign will be run by Chris Hill (Arcade Development Director) and Jenny Holden Stokes (Arcade Enterprise and Events Manager) with the support of Simul Marketing, Royal Pilgrim PR, the Arcade Board and volunteers.

Messaging will focus on this being the first community run shopping centre in the UK and the positive effects it will have on Dewsbury

The campaign will have two channels - a general appeal, and targeted efforts aimed at potential larger investors. We envisage 70% of investment coming from local North Kirklees residents, but there is scope for national investors being inspired by the idea of community led regeneration of the High Street.

General campaign

- Launch event in Town Hall with speakers pre-dated by a feature on BBC Look North
- Regular postings through our Facebook and Instagram accounts (1700 followers). This will feature investors and the reason they have invested and create a sense of movement towards our share raising target. It will also feature potential Arcade tenants to give a feel of the possibilities
- Working with national press on the story line of the UK's first community run shopping centre
- Supportive promotion from Kirklees Council, Kirklees College, Town Board, local councillors and Arcade partners such as the Indian Muslim Welfare Society

- Using the Crowdfunder platform and the easy-investing link to their website in all our campaign work
- Promoting people – asking investors to find others, using examples of investors to encourage others, showcasing future tenants in investment appeals, using well-known characters to endorse the investment.

Targeted work

- Meetings with Board contacts
- Meetings with supportive organisations (e.g. Chamber of Trade, Soroptimists)
- Meetings with businesses
- Tours of the Arcade for anyone interested in investing

A timetabled action plan has been developed. Personal contact details will be available on literature in case anyone finds use of the Crowdfunder site difficult

The campaign will take place over Oct / Nov '23

After institutional investment of £50,000 + £20,000 from the Arcade Group Board, £80,000 needs to be raised from the general public. The strategy will be to identify individuals who can invest above £1,000 and can take the Group above 50% of that target, with 2-300 raising the remainder. Minimum investment will be £50 (withdrawable, if the business can afford it, after 2 years). Once the Arcade opens there will be the opportunity to become a member for £10.

The average community share investment in the 585 registered share offers is £395 (Community Shares Report. Co-ops UK 2020).

Confidence in raising the investment comes from:

- The high national profile of being the first community run shopping centre in the UK,
- The nostalgia and love for the Arcade that exists in Dewsbury
- Appeal of shariah compliant shares to the Muslim community
- Leadership from the Board, raising £20,000+ from its 8 voluntary members
- The withdrawability of capital and low entry level (£50 minimum investment)
- The large network of supporters already established
- £25,000 investment committed from Kirklees Council
- Track record of Development Director in raising community share investment (3 issues, each raising over £100,000 from individuals)

[Engaging Arcade members and the community](#)

As well as holding annual general meetings, we will

- Have a regular newsletter, to tell people the latest news about The Arcade, and events which are coming up.
- Hold regular events in the arcade
- Support a business network, a volunteer programme around events and 'pop up' shops with our charitable partners – all to increase involvement in the business and positivity about the town.

From Jan '24 to Dec '24 the arcade will not be accessible due to refurbishment work.

The Arcade Group has been successful in bidding to the UK Shared Prosperity Fund for a project named the 'Market Place' that runs from July '23 to when the Arcade opens. The fund pays for an Enterprise and Events manager, the organisation of events and efforts to get businesses and property owners working together. The aim is to pull more people into town and fill the empty shops.

Between the Enterprise and Events Manager and the Heritage Link Worker, the intention is to stage the following Heritage Fund activities during 2024:

Type	Activity	Delivery partners
Business Networks	Bringing businesses and landlords together to look at ways we can improve Dewsbury	Chamber of Trade, Town Board, Kirklees Council
Shareholder meetings	Social events	Board, Staff, Members
Tenants	Bringing together prospective tenants to meet members	Board, staff, members, tenants
Meanwhile space	Looking at empty town centre spaces to see if we can use them	Landlords, potential users, members
Exhibitions	Creative pieces and digital artwork	Kirklees College students
	Photography of the refurbishment process	Photographic Society
	Art work	Dewsbury Arts Group
Talks and Workshops	Explanatory construction site board creation	Kirklees College
	Glazing workshop	Martin Donlin
	Arcade history talk	Dewsbury History Society
	Oral History launch	Former shopkeepers
	BBC filming workshop	Wildflame Productions
	Women in Leadership retail workshop	Indian Muslim Welfare Society Women's Committee
	Fashion Show	Faz Patel – Archives

Cultural / social	Cinema upstairs	Former pop-up cinema owner
	Various social events to bring the community together and promote the Arcade	Knock on Wood / Board members
Markets	Food	A World Food Festival
	Vintage	A Dewsbury Vintage Day will be organised in '24

Operational Model

Manager or Agent?

The intention is to employ a full time Arcade Manager from Autumn '24 to Autumn '25. The Board feel that a full-time resource is needed to:

- Find and sign-up tenants
- Supervise fit-outs
- Establish an Arcade community
- Lead the marketing campaign
- Manage the launch
- Create and bed-in operational systems and contracts
- Build partnerships

The manager is a critical appointment. The Board would like them to be full time and permanent to develop our work, but, in common with all other Arcades of a similar size, the rental income does not support that. We will be seeking grant and additional property management income to achieve a full-time manager, but in the meantime have to plan with the resources we have.

The intensity of activity is beyond the capacity of a commercial agent whose commitment is spread across multiple clients, with ways of working more suited to established retail companies than the start-up community the Arcade is focused on. The advantage of outsourcing is cost (the charge only relates to specified outputs) and the ability to cover for holidays within their existing staff. The downside is the loss of dedication and flexibility – the willingness to 'go the extra mile'

It may be difficult to recruit a quality manager for one year, but the Group has a year to seek out candidates and will develop fallback options with commercial agents (discussions held with Hunters and Holyroyd Miller). Manager holidays, sickness etc., can be covered by a paying a commercial agent a daily rate. After one year the tasks should become more routine and within the scope of an agent. In autumn '25 the management systems will be reviewed.

All options will be considered, from employment of a part time manager responsible for rent collection, leasing of units, marketing, tenant relations and repairs to complete outsourcing of those responsibilities to an external agent. The cash flow assumes the employment of an agent from July '25.

Caretaking, cleaning and opening up duties may be combined or separated and the contract outsourced in the first instance. This will allow for consistent cover. Experience will determine later arrangements; for instance, a tenant taking responsibility for opening and closing the Arcade.

The Manager will be in post 3 or 4 months before opening. They will be responsible for signing leases with the tenants. Leads that will have been developed by the Development Director, Chris Hill. They will also work with the business consultant (to be tendered) to finalise Standard Operational Manuals.

Milestone	Date	Task
Permission to Start	Nov '23	Board begins marketing campaign to seek tenants
Delivery of Activity Plan	Nov '23 – Dec '24	
Community share issue	Oct-Nov '23	
Manager appointed	Autumn '24	Manager finalises tenancies ready for occupation, organises contracts, agrees fit out schedules with prospective 'bookend' tenants, works up launch plans
Practical Completion of refurbishment and signing of lease	Dec '24	Start 'bookend' fit outs
Signing of lease	Dec '24	
Caretaker appointed	Early '25	
Arcade Opens	Early '25	Launch marketing

Contracted / employed staff will initially be a full time Arcade Manager, a part time Caretaker and a part time bookkeeper.

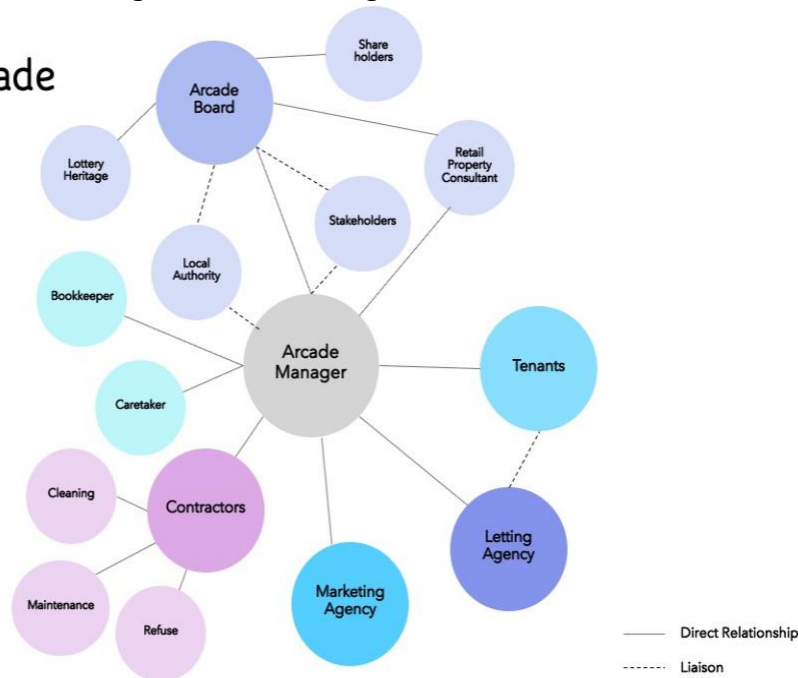
- **Arcade Manager:** primary responsibilities will be leasing management, setting up standing orders and ensuring their payment, marketing, retailer liaison, tenant fit-outs, customer experience, operational management, contractor management, centre-level finance and service charge, stakeholder management.
- **Caretaker** (part time – role may be outsourced to start with until the needs of the Arcade are clear): responsible for the security and cleanliness of the Arcade. Cleaning costs may be contracted separately.
- **Bookkeeper** (part time): Reconciliation of all income and expenditure, preparation of financial reports for Arcade Manager and Board

The Development Director / Arcade Group Chair will remain a part time paid post until 6 months after the signing of the lease to ensure a smooth transition of the management responsibilities and will thereafter operate in a voluntary capacity as Chair of the Group.

For the first year of operation, organisational arrangements will be as follows:

Dewsbury Arcade

Organisation chart



Over the first 12 months of the full time Arcade Manager's contract, they may draw on the support services of external suppliers, agencies and consultants, including;

- Leasing – retail leasing agency to source, negotiate, recommend and coordinate retailers,
- Legal – contracts, leases,
- Marketing – advice on promoting The Arcade,
- Retail property consultant – advice, training, operational management support,
- Maintenance contractors

The amount of external support sought will be dependent on funds available, with the manager taking on the tasks when possible.

Staying connected to the community

If the choice is made, after a year, to use only a managing agent, there is a danger that the community focused activities of the Arcade will be lost. For that reason, a part time manager will be appointed if it can be afforded.

Other ways of ensuring the Arcade remains responsive to the community include:

- Bidding for community enterprise funding that will staff our community efforts
- Continue to use one or two shops for pop up community and charitable activities

- Develop a permanent training relationship with Kirklees College
- Maximise community use of the Events space in 16 Corporation St.
- Devote some of the marketing budget + recycled profits to events organisation and social media
- Create various Board roles that include community links, events co-ordinator, heritage and tenant liaison with their own volunteer groups and a brief to develop activities in their chosen areas
- Participate in Heritage Open Days and deliver heritage education
- Encourage tenants to self-organise for events and participate in employment training programmes

Day-to-Day Management

Opening Times

The lease commits the Arcade Group to open the Arcade a minimum of 5 days a week from 10am to 4pm. Likely opening 8am to 6pm, closed Sundays and possibly Mondays. The 4 tenants in the end units have their own access and will be able to open at any time within the planning permission (10am to midnight in the case of licenced establishments).

Individual tenants will have keypad access at all times. The caretaker will be responsible for opening and closing the Arcade

Tenant management

- Tenants will sign leases of a minimum of one year (internal small shops and studios) or three years (end units). They will be given rent free periods to fit out their units (1 month for small units, up to 6 months larger units).
- Rents will be broken down to rent + service charge + VAT
- Larger units will take all management responsibility for their units – meeting environmental health, fire protection standards etc – but will need to make sure their systems are compatible and linked to those in the Arcade. Electricity (no gas) will be metered in all units. Small units are provided with an electric mounted radiator and 4 plug sockets
- Leases will specify presentation standards of the units – e.g., use of the existing sign boards and colour schemes, no postering of windows etc
- End units will be responsible for their own waste collection, smaller units will have a weekly bag collection.
- Deliveries will be walked down the Arcade

- Wi-fi will be available. If tenants want a cable to their unit, they will have to pay for it (cable trays will run above the ceilings of the units)
- Tenant toilets + one disabled toilet provided and cleaned by the caretaker / cleaner. Sinks provided in studios and 4 of the internal units. Water use will be metered.

Event management

Event organisation will align with the stages of development:

- **The building period / delivery stage** – telling the story, engaging people, building support – organised by Heritage Link Worker and Development Director
- **Pre-opening** – the search for tenants, building awareness – organised by Development Director / Arcade Manager / Marketing Consultant
- **Opening** – Attracting people to the Arcade in an intense period of activity – organised by Development Director / Arcade Manager / Marketing Consultant / Board / Tenants
- **On-going events programme** – Keeping the Arcade in people’s minds, building loyalty, searching for new shoppers – organised by Tenants and Arcade Manager. If the management of the Arcade was outsourced, event organisation would have to be paid for. This was the case in the ‘Summer Gathering’ in 2021 when an Events Organiser was paid £700.

Types of events might include:

- Markets, music, dinners and tastings in the Arcade passageway
- Events linked to calendar dates – Xmas, Eid, Mother’s Day etc
- Events using the Market Place but linked to the Arcade like summer festivals
- Linking other people’s events to the Arcade like the Xmas Lights parade
- Heritage events - Victorian days, participation in the annual Heritage Open day, heritage talks etc
- Use of the Events Room for gatherings of local business people, new and potential tenants

Role of the manager

The appointment of the Arcade Manager will be a critical moment for the Group. Over the following 12 months the Manager will be responsible for filling the Arcade with the desired mix of tenants, moulding the quality of the Arcade brand, bedding down the management systems and cementing relationships with partners and tenants.

They will focus on improving the customer experience and increasing the sales achievements of the tenants.

These two objectives will be achieved through the application of the following;

- Management philosophy related to customer and tenants (working together)
- Marketing, branding, online presence, accessibility,

- Customer greeting, customer care, culture and atmosphere,
- Consistent level of customer care approach,
- Safety and security,
- Information and communication,
- Tenant training

The Arcade Manager will be supported to achieve these objectives using a suite of Standard Operational Procedure (SOP) documents covering these specialisms;

- Marketing
- Leasing plan and schedule
- Service charge management procedure
- Commercialisation
- Tenant management
- Emergency and business continuity
- Health & Safety procedures
- Sustainability toolkit

Market Appraisal

Survey work was undertaken by Toolbox Marketing (and is included in the Marketing Plan available on the website), principally on-line with some face to face. Target audience was age 18+ within 10 miles of Dewsbury. Majority of respondents had WF postcodes (Dewsbury, Batley, Wakefield).

700 people responded to the survey, scoring the multiple questions. 242 of those provided detailed comments. 34 were interviewed face to face

Principal Findings

- 92% felt re-opening the Arcade was necessary, essential or needed
- While people were positive about the Arcade, they were negative about Dewsbury, seeing it as lacking shops, unsafe (drunks and druggies) and costly (parking charges)
- There is an opportunity to draw people back if perceptions can be turned around. Of those living around the town, 42% went into Dewsbury town centre once a month or less, yet 83% would go out for non-food shopping and 68% for a coffee, once a week or more.
- What they wanted from the Arcade (top rated)
 - Specialist food shops

- Place to have a coffee
- A night life
- Men's clothing
- Antiques
- Gifts
- Plants

Most people wanted independents to dominate the Arcade (71%) and many comments called for the exclusion of shops that dominate Dewsbury – betting, vape, mini mart, nail bars, take-aways.

While some felt the investment in the Arcade was too little; too late, others hoped it could be the beginning of a revival if it could re-create the friendly, busy atmosphere of the past.

SWOT Analysis of the Dewsbury Arcade

- **Strengths**
 - Central location in the centre of the town
 - Goodwill of community and public support,
 - Safe and secure environment
 - Unique architecture and heritage attraction,
 - Leisure attraction,
 - Venue/performance space,
- **Weaknesses**
 - Not traded since 2016
 - Declining town centre footfall
 - Difficult access to upper floors
 - Small size of units
 - Insufficient funds for marketing, promotions and support services (agencies)
- **Opportunities**
 - Media interest
 - To re-route pedestrians through the Arcade
 - Significant local support from residents,
 - Current evidence of retailer demand from 45 expressions of interest in shops,
 - 1700 Facebook followers
 - Property market report commissioned from AspinallVerdi recognizes demand for the small units
 - Examples of successful 'indie' Arcade developments elsewhere (Cardiff, Barnsley, Hull etc)
 - Work in partnership with local community
 - Attracting entrepreneurial retailers that sell on line as well
 - Using pop-up shops as drivers for events

- Using events in the Arcade passageway and Events room (markets, music, tenant taster days etc) to raise the profile and attract residents
- Building an Arcade that fuses the different cultures and communities of the town
- Creating a movement of supporters through the community share issue and membership drive. The share issue will be shariah compliant.
- Using the Arcade and Market as levers to attract people back to town. Need to work closely with market management
- Working with all other bodies – Chamber of Trade, Kirklees College, Town Board etc to create a momentum of success
- Exploiting the quality of the Arcade and other heritage buildings in the town centre to make Dewsbury a West Yorkshire destination
- **Threats**
 - Lack of retail mix
 - Town centre decline over last 10 years,
 - Growth in on-line shopping,
 - Pedestrian footfall has declined dramatically,
 - Saturday visitors has dropped by more than half over the past 20 years,
 - 30% of town centre properties vacant,
 - Area lags behind on a range of socio-economic and environmental measures

Marketing plan

The Marketing Plan produced by Toolbox Marketing accompanies the Business Plan on the web site and outlines the problems the Arcade faces – generic (on-line and out of town shopping; cost of living crisis etc.) and specific (20-year drop-in town centre footfall, lack of retail choice, feelings of insecurity, parking etc). It goes on to describe what it is people want to see and what would attract them back to the town centre.

The £30,000 marketing plan divides into three stages of activity:

Pre-launch – turning around perceptions. Focus on social media (use of influencers and potential tenants), heritage action plan events, shop-based events ('meet the maker' type), community share issue, finding tenants

Launch – various events and media blitz

Post-launch – (to be funded from rents). A system of regular communication and tenant led events delivered by the Board with the support of marketing specialists

Suggested actions, costs and measurements of success are included in the plan

Finding tenants

The Arcade is targeting four categories of tenant. Each will need a different approach:

- 1) Larger end units – principally food and beverage
- 2) Smaller internal units – independents, often start ups
- 3) Art studios
- 4) Upper floor office / workshop space in Moneypennys

Larger end units

The 4 end units account for almost half the targeted rent income and will be filled by anchor tenants, expected to stay in the Arcade for the 10 years of the lease. Filling at least 3 of those units is essential.

The Development Director will begin the search on completion of the share issue. Appropriate existing businesses will be approached directly. Agents will also be used (finding fee included in the cash flow). There are currently 3 exiting business tenants interested – a wine bar, an up-market café and a chai shop. All three would be acceptable

Smaller internal units

Directed mostly at start-ups. Affordable rents and flexible lease terms should make these units attractive and the initial marketing effort showed this to be the case (45 expressions of interest in 2021). No other small units exist in town

Art studios

A tailored campaign will be developed working with local arts organisation [Creative Scene](#) and Kirklees Council. An Arcade Group Board member is well networked with local artists (she is a picture framer) and will lead the campaign. It will involve invitation events and open days. A prospective tenant wishes to use two of the 8 studios as a gallery.

Moneypennys - Office / Workshop Space

The opportunity to offer office space arose later in the project, once Moneypennys had been added to the scheme. The area offers two small offices (355 sq ft) and a larger area of 1,000 sq ft.

Fixed head-lease rent on these upper floors is low (£1,500 per annum) with no empty rates to pay, so the Arcade Group are not looking to it as a significant source of income. The first year will be spent assessing what use the large space should be best put to. No income has been assumed.

Keeping the Arcade full

Arcades are self-contained. They create their own atmosphere, positive or negative. The research behind this business plan included interviews with managers and tenants of 13 Arcades:

Royal Arcade, Keighley
Silver Arcade, Leicester
Victorian Arcade, Yarmouth
Enterprise Arcade, Stockton
Victorian Arcade, Barnsley
Victorian Arcade, Accrington
Shackleton Hall, Colne
Central Arcade, Wrexham
Temple Buildings, Rotherham
Byram Arcade, Huddersfield
Paragon Arcade, Hull
Royal Arcade, Norwich
Castle Arcade, Cardiff

Most were full, but Yarmouth and Accrington were almost empty. It became clear that a downward tipping point can easily be reached if occupancy dips below 70%. This was the case with Dewsbury Arcade itself between 2011 and 2014 when it emptied.

To avoid this, pop ups will be brought in to any vacant unit (at least one unit will be kept for pop up purposes). Sources will include – community and charitable activities, Kirklees College students, trial start-ups, artists and interesting businesses using it as exhibition space.

Discussions with other Arcade managers has indicated the importance of social media in maintaining interest and a tenant waiting list; particularly promoting interesting tenant activities and new arrivals. The Board will make sure some of the marketing budget is devoted to supporting this; possibly a useful role for a Kirklees College student

Attracting shoppers

These examples are drawn from the Marketing Plan

PHASE	PRE-LAUNCH (PLACEMAKING)	LAUNCH	POST-LAUNCH
TIMINGS	Q1-Q4 2024	Q1 2025	Q1 2025 and beyond
ACTIVITY)	<u>Objectives</u>	<u>Objectives</u>	<u>Objectives</u>

	<p>Raise awareness Encourage trial Change perceptions Believability Community support</p> <p><u>Examples</u> Graphics on hoardings Design competitions Canvassing response</p>	<p>Encourage trial Change perceptions Generate footfall Generate spend Community engagement</p> <p><u>Examples</u> VIP launch night Press invites Competitions with occupiers Spend and win Street party (nostalgic theme)</p>	<p>Generate loyalty Brand ambassadors Increase footfall Increase spend Community partnerships</p> <p><u>Examples</u> Celebrate key trading Competitions with occupiers Loyalty scheme Cultural events Occupier events Local festivals</p>
CHANNELS)	<p><u>Online</u> Website Database Facebook Instagram Twitter (B2B) Paid for advertising (Facebook & Google) PR</p> <p><u>Physical</u> Onsite POS Onsite low-key events</p>	<p><u>Online</u> Website Database Facebook Instagram Twitter (B2B) Paid for advertising (Facebook & Google) PR</p> <p><u>Physical</u> Onsite POS Onsite launch event Print advertising Door drop</p>	<p><u>Online</u> Website Database Facebook Instagram Twitter (B2B) Paid for advertising (Facebook & Google) PR</p> <p><u>Physical</u> Onsite POS Onsite events Print advertising Loyalty scheme</p>
STAKE-HOLDERS	<p>Schools/college Local clubs/groups Local services Charities</p>		

Measurement

We will carefully measure the results of marketing efforts through a variety of channels and key performance indicators based on what data and information is available.

Measurable objectives will be set against each deliverable and benchmarked on industry standards or industry knowledge.

- Turnover of tenants
- Car Park figures (where available)
- Footfall counters (where available)
- SoMe engagements
- Website visits
- Database stats
- PR coverage
- Advertising reach and engagements
- Tenant participation
- Competition participation numbers
- Google analytics
- Tenant feedback/satisfaction
- Customer feedback/satisfaction
- Positive sentiment
- Community involvement
- Monies raised for charity

The above measurements will then be delivered back in the requested format and at the requested frequency.

Digital reports will be created monthly, and each initiative or campaign will have its own evaluation.

Financials

There are four determinants to the financial success of the Arcade in this business case:

- Successful Share issue
- Demand for the units from the right sort of tenant
- The level of rents and their affordability to tenants
- Sustained consumer demand for their products and services over the years

Demand for units has been dealt with under 'Finding Tenants' above. The break-even level is between 60 and 70% of lettable space, depending on which areas are left vacant. So only a 15% increase in occupancy above the 50% minimum required to take the lease from Kirklees Council is required

Level of rents

Units are being leased at market rents.

Target rents assessed from multiple sources – detailed rental information from:

- Byram Arcade, Huddersfield
- Paragon Arcade, Hull,
- Castle Arcade, Cardiff
- Royal Arcade, Keighley
- + survey of a further 10 Arcades.

Also, property market survey of Aspinal Verdi and opinion of Hunters Estate Agency, Dewsbury.

Annual rent levels are projected as:

Ground Floor Retail – street facing - £25per square foot

Upper Floor Retail and Office - £5psf

Internal Retail - £20psf

The 45 potential tenants of the small units expressing interest, were informed that the combined rent and service charge (there won't be any rates) would be approximately £100 a week. That level did not deter anyone, and is the rent level expressed in the cash flow.

The corner units may be more of a challenge (particularly the 3-storey ones). The estimated combined rent and services charges are:

14 Corporation St (2 floors) - £14k

16 Corporation St (3 floors) - £25k

23 Market Place (2 floors) - £11k

25 Market Place (3 floors) - £22k

Nearby town centre lettings in 2022 and 2023 have supported these rent levels

The Group is reluctant to take on all financial risk by moving to turnover related rents, but a hybrid approach (similar to the head lease) may be possible, combining elements of fixed and variable rents. A fixed lease rent has been assumed for cash flow purposes

Sustaining consumer demand

The danger exists that the Arcade starts full but then empties out due to weak trading conditions. The scenario is beyond the control of the Arcade alone; the fortunes of the town centre have to be turned around as a whole. However, what the Group can do is:

- Seek tenants who operate on line as well as relying on footfall
- Tenants who can create their own following, so shoppers will come independently of what is happening in the rest of town
- Work with the Market, town centre landlords and businesses to increase occupancy and create an atmosphere of success

Financial Tables

Below are the cash flow projections for the target 82% occupancy and 60% occupancy.

60% is the minimum target to ensure the organisation can trade solvently; at this level, we have enough cash to pay all our bills, but because we never make sufficient profits, we are unable to fund withdrawals to investors during this time without first securing new investment to provide the funds to allow this under FCA rules

Figures differ from those in the Share Offer Document because Corporation Tax and projected Share Repayment are included in the figures.

Cash Flow Forecast for 10 years to 2033	82% Occupancy											Total
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
Gross Rents	0	15,000	85,000	108,500	109,400	109,400	75,750	94,800	119,800	126,800	126,800	971250
Service Charges	0	9,400	48,500	75,500	78,300	80,650	62,900	66,050	90,800	105,250	108,400	725750
Other Commercial Inc	0	0	6,050	6,400	6,700	7,000	7,400	7,750	8,150	8,550	9,000	67000
Share Capital	151,500	0	0	0	0	0	0	0	0	0	0	151500
Totals	151500	24400	139550	190400	194400	197050	146050	168600	218750	240600	244200	1915500
Letting fees	0	10,250	5,650	500	0	0	0	0	0	0	0	16400
Lease renewal fees	0	0	0	0	0	0	3,000	11,000	2,000	0	0	16000
Service charges costs	0	34,350	82,600	86,150	90,500	95,000	99,800	104,750	109,950	115,450	121,250	939800
Lease Costs - Fixed	0	5,825	11,650	11,650	11,650	11,650	14,560	14,560	14,560	14,560	14,560	125225
Lease Costs - Variable	0	3,650	20,950	28,600	29,150	29,550	21,900	25,300	32,800	36,100	36,600	264600
Arcade Group costs	0	71,450	19,450	12,100	12,700	13,350	14,050	14,750	15,450	16,250	17,050	206600
Share Repayment	0	0	0	40,000	40,000	40,000	31,500	0	0	0	0	151500
Coporation Tax	0	0	0	0	0	8,083	0	0	3128	9994	7261	28466
Totals	0	125525	140300	179000	184000	197633	184810	170360	177888	192354	196721	1748591
Bank B/Fwd	0	151500	50375	49625	61025	71425	70842	32082	30322	71184	119430	
Bank C/Fwd	151500	50375	49625	61025	71425	70842	32082	30322	71184	119430	166909	

Cash Flow Forecast for 10 years to 2033	60% Occupancy											Total
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	
Gross Rents	0	15,000	75,100	84,700	85,500	85,500	51,850	81,550	93,500	99,150	99,150	771000
Service Charges	0	9,400	40,850	56,150	58,300	60,050	41,650	54,750	67,100	78,350	80,750	547350
Other Commercial Inc	0	0	6,050	6,400	6,700	7,000	7,400	7,750	8,150	8,550	9,000	67000
Share Capital	151,500	0	0	0	0	0	0	0	0	0	0	151500
Totals	151500	24400	122000	147250	150500	152550	100900	144050	168750	186050	188900	1536850
Letting fees	0	10,250	2,100	500	0	0	0	0	0	0	0	12850
Lease renewal fees	0	0	0	0	0	0	3,000	8,000	1,000	0	0	12000
Service charges costs	0	34,350	82,600	86,150	90,500	95,000	99,800	104,750	109,950	115,450	121,250	939800
Lease Costs - Fixed	0	5,825	11,650	11,650	11,650	11,650	14,560	14,560	14,560	14,560	14,560	125225
Lease Costs - Variable	0	3,650	18,300	22,100	22,550	22,900	15,150	21,600	25,300	27,900	28,350	207800
Arcade Group costs	0	71,450	19,450	12,100	12,700	13,350	14,050	14,750	15,450	16,250	17,050	206600
Totals	0	125525	134100	132500	137400	142900	146560	163660	166260	174160	181210	1504275
Bank B/Fwd	0	151500	50375	38275	53025	66125	75775	30115	10505	12995	24885	
Bank C/Fwd	151500	50375	38275	53025	66125	75775	30115	10505	12995	24885	32575	

These are the Profit and Loss and Balance Sheets for the target 82% occupancy level

Profit and Loss

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Income												
Gross Rents	00	15,000	85,000	108,500	109,400	109,400	75,750	94,800	119,800	126,800	126,800	971,250
Service Charges	00	9,400	48,500	75,500	78,300	80,650	62,900	66,050	90,800	105,250	108,400	725,750
Other Commercial Inc	00	00	6,050	6,400	6,700	7,000	7,400	7,750	8,150	8,550	9,000	67,000
Total Income	0	24,400	139,550	190,400	194,400	197,050	146,050	168,600	218,750	240,600	244,200	1,764,000
Expenditure												
Letting fees	00	10,250	5,650	500	00	00	00	00	00	00	00	16,400
Lease renewal fees	00	00	00	00	00	00	3,000	11,000	2,000	00	00	16,000
Service charges costs	00	34,350	82,600	86,150	90,500	95,000	99,800	104,750	109,950	115,450	121,250	939,800
Arcade Group costs	00	71,450	19,450	12,100	12,700	13,350	14,050	14,750	15,450	16,250	17,050	206,600
Lease Costs - Fixed	00	5,825	11,650	11,650	11,650	11,650	14,560	14,560	14,560	14,560	14,560	125,225
Lease Costs - Variable	00	3,650	20,950	28,600	29,150	29,550	21,900	25,300	32,800	36,100	36,600	264,600
	00	125,525	140,300	139,000	144,000	149,550	153,310	170,360	174,760	182,360	189,460	1,568,625
Net Profit Before Tax	00	(101,125)	(750)	51,400	50,400	47,500	(7,260)	(1,760)	43,990	58,240	54,740	195,375
Corporation Tax	00	00	00	00	00	(8,083)	00	00	(3,128)	(9,994)	(7,261)	(28,466)
Retained Profit B/F	00	00	(101,125)	(101,875)	(50,475)	(75)	39,342	32,082	30,322	71,184	119,430	00
Retained Profit C/F	00	(101,125)	(101,875)	(50,475)	(75)	39,342	32,082	30,322	71,184	119,430	166,909	166,909

Balance Sheet

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Fixed Assets:	00	00	00	00	00	00	00	00	00	00	00
Current Assets:											
Cash at Bank	151,500	50,375	49,625	61,025	71,425	70,842	32,082	30,322	71,184	119,430	166,909
Current Liabilities:											
Sundry Creditors	00	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	00	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Net Assets	151,500	49,175	48,425	59,825	70,225	69,642	30,882	29,122	69,984	118,230	165,709
Financed By:											
Opening Reserves	00	00	(102,325)	(103,075)	(51,675)	(1,275)	38,142	30,882	29,122	69,984	118,230
Share Capital	151,500	151,500	151,500	111,500	71,500	31,500	00	00	00	00	00
Net Profits after Tax	00	(102,325)	(750)	51,400	50,400	39,417	(7,260)	(1,760)	40,862	48,246	47,479
	151,500	49,175	48,425	59,825	70,225	69,642	30,882	29,122	69,984	118,230	165,709
Closing Reserves	151,500	49,175	48,425	59,825	70,225	69,642	30,882	29,122	69,984	118,230	165,709

And the Profit and Loss projection for 60% occupancy

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total
Income												
Gross Rents	00	15,000	75,100	84,700	85,500	85,500	51,850	81,550	93,500	99,150	99,150	771000
Service Charges	00	9,400	40,850	56,150	58,300	60,050	41,650	54,750	67,100	78,350	80,750	547350
Other Commercial Inc	00	00	6,050	6,400	6,700	7,000	7,400	7,750	8,150	8,550	9,000	67000
Total Income	0	24400	122000	147250	150500	152550	100900	144050	168750	186050	188900	1385350
Expenditure												
Letting fees	00	10,250	2,100	500	00	00	00	00	00	00	00	12,850
Lease renewal fees	00	00	00	00	00	00	3,000	8,000	1,000	00	00	12,000
Service charges costs	00	34,350	82,600	86,150	90,500	95,000	99,800	104,750	109,950	115,450	121,250	939,800
Arcade Group costs	00	71,450	19,450	12,100	12,700	13,350	14,050	14,750	15,450	16,250	17,050	206,600
Lease Costs - Fixed	00	5,825	11,650	11,650	11,650	11,650	14,560	14,560	14,560	14,560	14,560	125,225
Lease Costs - Variable	00	3,650	18,300	22,100	22,550	22,900	15,150	21,600	25,300	27,900	28,350	207,800
	00	125,525	134,100	132,500	137,400	142,900	146,560	163,660	166,260	174,160	181,210	1,504,275
Net Profit Before Tax	00	(101,125)	(12,100)	14,750	13,100	9,650	(45,660)	(19,610)	2,490	11,890	7,690	(118,925)
Corporation Tax	00	00	00	00	00	00	00	00	00	00	00	00
Retained Profit B/F	00	00	(101,125)	(113,225)	(98,475)	(85,375)	(75,725)	(121,385)	(140,995)	(138,505)	(126,615)	00
Retained Profit C/F	00	(101,125)	(113,225)	(98,475)	(85,375)	(75,725)	(121,385)	(140,995)	(138,505)	(126,615)	(118,925)	(118,925)

Cash Flow analysis

Cost assumptions are based on a detailed analysis of the management accounts of 3 Arcades:

- Byram Arcade, Huddersfield
- Paragon Arcade, Hull
- Royal Arcade, Keighley

In addition, cost analysis work has been delivered by Cushman and Wakefield and Lynette Howgate Consultancy. Both have extensive experience of shopping centre management. Quotes have also been obtained for all contracts.

The costed maintenance plan produced by BDP architects is also reflected in the cash flow.

Costs will be reviewed for inflationary pressures during 2024

Key features of the cash flow

- Arcade Group cannot take lease unless 50% occupancy is achieved
- All scenarios include raising £150,500 from the share issue
- Opening at 50% occupancy, if the share target is met, the cash position is positive by c.£50,000 in the first year of operation.

- To avoid over-complication, all leases are assumed to last for five years and then be renewed after a void period – hence voids / deficits are concentrated in the middle of the 10-year lease. In reality they would be more spread out.
- At 60% occupancy we do not run out of cash but make a loss (leases would be due for upward renewal at the end of the 10-year lease period). Figures are dependent on which units remain empty. It may seem that the business is over-capitalised to start, but at 60% occupancy cash reserves come down to £10,000 at their lowest point
- Arcade Manager would be employed 3 or 4 months before opening. The cost is born from the community share issue and appears in the cash flow as Arcade Group non-recoverable expenses. Once open, £12,000 of the Arcade Manager’s costs are allocated to the service charge. This is the amount quoted as a full-service management fee by an external agent. After 12 months, the assumption is that the Arcade Manager contract ceases and all management is done by external agent for £12,000.
- £30,000 of community share money is allocated to a pre-opening marketing campaign and appears in the cash flow as Arcade Group non-recoverable expenses
- In the 82% target cash flow, there is a build up from 50% to 85% occupancy over the first two years. The 50% opening occupancy should be exceeded
- Maximum rent income is £118,000, estimated service charge is c.£84,000 (£7-70 per square foot)
- Only £6,000 a year is estimated to come from commercialisation and events (see Assumptions). There is no expenditure set against this. The income will be from rental of the passageway for markets and events organised by third parties, plus use of the Arcade for filming etc
- £5,000 a year is being allocated to a sinking fund for long term major repairs (£2,000 on Service Charge, £3,000 from Arcade Group profits). However, Kirklees Council is committing the net revenue on the two ground floor shops in Moneypennys to an Arcade sinking fund to cover all eventualities.
- The Arcade Group registered for VAT in Aug 2023. VAT has not been included in the cash flow – it will only make the figures more positive (VAT taken in monthly and paid out quarterly).

Make up of non-recoverable Arcade Group Expenses in Cash Flow

Description	Source / reasoning behind financial estimate
Pre-opening marketing costs	£30,000 pre-opening and opening costs.
Contribution to employment of manager for 12 months	Manager on £43,700 (£37,000 + 18% on costs) for 12 months. £12,000 attributed to service charge, £31,700 to Arcade Group expenses funded by Community Share Issue
Development Director	£12,000 - 2 days a week @£150 a day for 6 months from taking the lease
Accountant	£1,000 - Quote from AMS Accountants, Dewsbury
Marketing Costs	£6,000 pa non-recoverable marketing costs
Board expenses	£1,000

Sinking Fund	£3,000 (see Sinking Fund in Service Charge above)
Public Liability Insurance	£400 p.a – Hiscox Insurance quote

The small amount of money needed for management expenses (mobile, travel etc) are allocated to the service charge.

Risk register

The Risk Register accompanies the business plan and is available on the web site.

Appendix 1 – Arcade Group Board

Our current Board members are:

Peter Mason – Director Mood Developments (Field House, Black Bull)

Extensive experience of property development, particularly of pubs, with a major heritage apartment refurbishment underway in Dewsbury at Field House. Brings strategic financial management skills.

Anis Dadu – Director XYZ Legal - commercial lawyer

Chief Executive of Dewsbury’s largest, rapidly expanding law firm. Investing in the town when others law firms are leaving. Brings legal understanding and commercial contacts. Local resident.

Sarah Barnes (Treasurer) – Director Barnes Field Pub Chain

Runs a chain of 6 pubs (including Dewsbury’s famous West Riding pub at the railway station). Brings business management and financial understanding. Local resident.

Yunus Patel – Executive Director YMG construction

Local housing and commercial builder / developer – private housing, education centres, mosques, hotels, etc. Brings building maintenance and business understanding. Local resident.

Ralph Pickering – Company Director & Land Manager (Fitzyork Estates) Runs locally a knitwear design studio, along with an antique business. CEO for a Yorkshire wide Healthcare Company. Trustee for the locally based youth organization “Sport Equality and Diversity Project”. Brings understanding of commercial relationships. Local Resident.

Natalie Liddle – Director WSA Arts

Vintage clothes seller and picture framer. DJ and events organiser. Former vintage shop owner. Brings marketing and events management skills. Local business owner.

Rukshana Zeena

Former shop manager, current NHS worker, local volunteer. Brings retail experience, local knowledge and contacts. Local resident

Chris Hill (Secretary and Development Director) – 20 years experience as a community business and property developer – previous projects managed include a community centre, conference venue, music venue, workspace and farm. Brings project, fundraising and financial management skills. Responsible for financial management until the appointment of Arcade Manager.

Appendix 2 – Standard Operational Procedures Manuals

To be developed during Stage 2 Delivery phase with Arcade Manager and Board receiving training

1. Shopping Centre Mandatory Documents

1. Accident Reporting Procedure
2. Accident Report Form
3. Asbestos Location Register
4. Asbestos Monthly Monitoring
5. Manual Handling Operations
6. Assessment of Promotions, Exhibitions & Displays
7. Bomb Warning
8. Cash Handling Procedure
9. Contractor Compliance Questionnaire
10. COSHH Assessments
11. DSE Assessment Form
12. Fire Emergency Plan
13. Fire Safety Information
14. First Aid procedure
15. PAT testing
16. Safety Systems at Work
17. Health & Safety for Employees
18. Health & Safety for Tenants
19. Health & Safety for Contractors
20. Health & Safety Policy
21. Ladder Inspections
22. Landlord Checklist
23. Lone Working Risk Assessment
24. Maintenance Schedule
25. Mall Cleaning
26. Permissions to Work
27. PPE Assessment
28. RIDDOR Form
29. Statutory Inspections
30. Tenants Compliance Letter
31. Tenants Fire Check Form

- 32. Incident Reporting
- 33. Disaster Recovery
- 2. Tenants**
 - 1. Tenants Handbook (sample)
 - 2. Shop Fit-out Guide (sample)
 - 3. Vacant Unit Handover Procedure
 - 4. Communication
 - 5. Sunday Trading
 - 6. HASAW
 - 7. Risk Assessments
 - 8. Tenant Liaison & meetings
 - 9. Trading Data
- 3. Landlord**
 - 1. Leasing Procedure
 - 2. Speciality Leasing (Commercialisation)
 - 3. Mall Income Template
 - 4. CAPEX non-recoverable processes
- 4. Finance**
 - 1. Service Charge Monitoring
 - 2. Asset Register
 - 3. Utility Apportionment
 - 4. Payment of Rates
 - 5. Receipts Petty Cash & Expenses
 - 6. Licences
- 5. Centre Security**
 - 1. Security
 - 2. Security Systems
 - 3. CCTV
- 6. Contractors**
 - 1. Competitive Tendering Process
 - 2. Contractor management
 - 3. Cleaning Specification
 - 4. M&E Specification
- 7. Maintenance**
 - 1. Asset Register
 - 2. PPM
 - 3. Sub-contractors
 - 4. Liabilities
- 8. Marketing & Communication**
 - 1. Marketing Plan
 - 2. Marketing Budget
 - 3. PR & Comms
 - 4. Crisis Management
- 9. Environment & Sustainability**
 - 1. Asset Sustainability Plan (ASP)
 - 2. Energy Certification
 - 3. Meter Reading (BMS)

4. Energy Suppliers
5. Waste management
6. Carbon Reduction