



**CUSHMAN &
WAKEFIELD**

Performance Venue Executive Summary

Prepared for

Derby City Council

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Table of Contents

1.	Background	2
2.	Key Findings.....	3
3.	Performance Venue	4
4.	Assembly Rooms Site – Alternative Redevelopment Options	5
5.	Becketwell Site – Alternative Redevelopment Options	6
6.	Conclusions and Next Steps	7

1. Background

The Council's draft City Centre Masterplan sets out the strategic context for investment opportunities in the city over the next 15 years. The delivery of a new performance venue in Derby, to replace the existing Assembly Rooms following fire damage in 2014, is identified as a strategic consideration for the city and the 'centrepiece' of the emerging masterplan.

Cushman and Wakefield (C&W) has been appointed by Derby City Council as its strategic property advisor, to work in partnership with the Council to deliver its strategic regeneration objectives. As part of this remit, C&W, and its team of specialist sub consultants, has undertaken a high level feasibility study to explore the potential for a new performance venue in Derby.

Performance venues can be significant urban anchors and catalysts for regeneration, and so the location of the new venue formed an important element of the study. Delivery focussed on two council owned sites, the existing Assembly Rooms site and the Becketwell site.

The scope of work for the study was to assess the feasibility of a new performance venue (based on defined funding parameters) and to provide a commercial view on the appropriateness of the Assembly Rooms and Becketwell sites as locations for the venue. In considering the optimum location for the new venue, C&W has also looked at alternative redevelopment options for these sites to ensure that the regeneration potential of both sites, in the context of the city centre masterplan, is maximised.



2. Key Findings

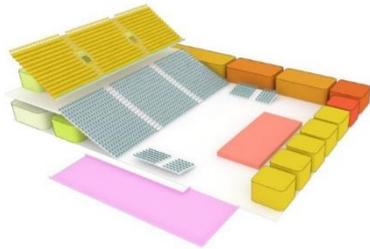
Overall, the key findings from the study are as follows:

1. A new performance venue is deliverable in Derby.
2. The Assembly Rooms is the best site for a new performance venue in commercial terms, and best meets the cultural and regeneration objectives of the Council.
3. There is no private sector funded solution. Whilst the options do not require ongoing public sector revenue funding, all options require initial capital funding from the public sector. The exact nature of what can be delivered will be dependent on the funding available.
4. A credible and viable redevelopment proposal for the Becketwell site is being pursued. As such potential redevelopment proposals for both sites have been identified, in line with the City Centre Masterplan aspirations.

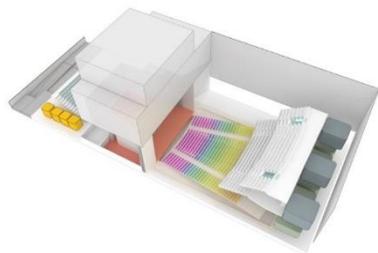
The key findings are summarised in turn below.

3. Performance Venue

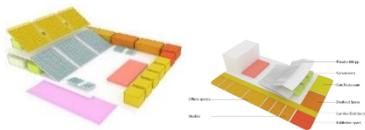
C&W appointed venue specialists IPW... to explore the potential for a new performance venue in Derby. Following market research and stakeholder engagement, and utilising their specialist knowledge and experience, a range of options was tested based on funding parameters identified by the Council.



Option 1 – c.3,000 capacity efficient and flexible venue with a commercially driven programme focussing on live music and comedy events, but no theatre facilities. The only option that generates an operating surplus, but does not meet aspirations in terms of cultural impact due to the lack of theatre facilities.



Option 2 – c.2,800 music/ entertainment venue with 1,500 lyric style theatre supported by c.400 flexible space (to be used as VIP lounge/ conference space). An attractive solution in terms of meeting the Council's and stakeholders' requirements, this option requires significant capital funding in comparison to Option 1.



Option 3 – Enhanced option 2 with additional 800 capacity theatre. Ultimately this option has been disregarded as the two competing theatres would not be attractive in market terms.

Whilst none of the options require revenue funding, they all require differing amounts of capital funding. Ultimately, the exact nature of what is deliverable is dependent on the amount and type of funding available.

The Assembly Rooms site was identified as the best option for the location of a new performance venue, both in commercial terms and to meet the Council's regeneration objectives. A performance venue at this site offers the potential to reinforce the civic and cultural cluster in the city, would be more attractive to a commercial operator, and would have a much wider regeneration impact than at the Becketwell site.

4. Assembly Rooms Site – Alternative Redevelopment Options

In the event that a new performance venue for Derby is not deliverable, an alternative redevelopment option is required. Following a market review, C&W identified that the site offers the potential for a strong leisure and cultural hub for the city, creating a cluster of uses to create a 'destination' in the city centre.

C&W then undertook a market led viability exercise to identify viable commercial uses for a redeveloped Assembly Rooms site, considering both redevelopment and refurbishment options. This identified that the refurbishment of the building to provide retail and leisure is cost prohibitive, and the redevelopment of the site to provide new retail and leisure space was only marginally viable, and unlikely to deliver a significant net receipt to the Council.

Given the significant regeneration potential of delivering a new performance venue at this site, this option is not the preferred option for the Assembly Rooms but is retained as a second option.

5. Becketwell Site – Alternative Redevelopment Options

As C&W identified that the site of the Assembly Rooms is the preferred location for a new performance venue, an alternative redevelopment proposal is required for the Becketwell site. The site is in multiple ownerships, the majority of which is in public sector control, although the Council is currently reviewing site assembly options.

C&W, working with Derby-based architectural practice Lathams, undertook a market-led viability exercise to test the redevelopment potential of the site. This has identified the potential for the site to be successfully brought forward for mixed use redevelopment, an illustrative layout of which is included below.

Redevelopment of the site incorporates the demolition of the Debenhams unit to the front of the site, and a redevelopment to provide modern, purpose built retail & leisure space at the ground floor to attract high quality occupiers, with residential uses above. The remainder of the site is to be redeveloped to provide a high quality residential neighbourhood, its street design matching historic residential streets, to transform the environment into a vibrant city centre space.

These options are now to be market tested with specialist developers with a track record of similar complex and transformational regeneration projects.



6. Conclusions and Next Steps

The work to-date has identified that a performance venue in Derby is deliverable and offers the potential to transform the existing Assembly Rooms site to create a strong cultural heart to the city centre. A venue in this location, with its associated footfall, would strengthen the Market Place and surrounds, and help to connect the city, providing a link from the Intu shopping centre to the Cathedral Quarter.

Work is now being progressed to undertake more detailed financial and economic appraisal, including further refinement of the options to best meet market and stakeholder requirements.

A viable and credible solution to Becketwell has also been identified, which is now being market tested to ensure that it is deliverable, meaning that vibrant and transformational regeneration schemes are being developed for both key city centre sites.

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