

Becketwell Regeneration

SUMMARY

- 1.1 The purpose of this report is to seek authority to acquire various assets to support the regenerating of the Becketwell area of the city centre.
- 1.2 After decades of market failure, the Becketwell area of the city centre has experienced a progressive decline, and regeneration here is a key priority in Derby's City Centre Masterplan 2030. In March 2017, Cabinet approved an interventionist strategy to the regeneration of Becketwell involving: land assembly/ site de-risking/ leverage of private and public investment and the redevelopment of the area by the private sector. Good progress has been made against this strategy and a brief update is provided in the main body of the report.
- 1.3 The opportunity has now arisen to acquire two assets within the Becketwell regeneration area - This is an excellent opportunity to consolidate land ownership in the area to address the blight that these properties create. It is intended that the Council will seek to redevelop both sites, in conjunction with the private sector, as part of the wider Becketwell Regeneration scheme.
- 1.4 It is intended that both acquisitions included in this report will be externally funded through the Local Growth Fund (D2N2 Local Economic Partnership) and is therefore subject to D2N2 approval (anticipated on the 13 September 2018). The confidential report submitted to this Cabinet meeting report sets out the costs, risks and timeline for these acquisitions and seeks authority to negotiate the acquisitions, enter into contracts and amend the Council's Capital Plan accordingly.

RECOMMENDATION

- 2.1 To approve the terms of the strategic property transactions the details of which are set out in the Confidential report submitted to this Cabinet.
- 2.2 To approve the termination of the procurement exercise to secure an ice rink operator (as referred to in paragraph 4.6)

REASONS FOR RECOMMENDATION

- 3.1 To support the delivery of the objectives of the City Centre Masterplan 2030.

SUPPORTING INFORMATION

- 4.1 The area known as 'Becketwell' is a 1.3ha brownfield site in the heart of Derby City Centre (see land edged purple on plan in Appendix 2). It comprises Duckworth Square, the former Debenhams building on Victoria Street (both in Derby City Council ownership), and neighbouring sites (in multiple ownerships).
- 4.2 Over the past few decades the market has failed to deliver a sustainable long term solution to the growing decline and dereliction of the Becketwell area. This began in the 1980's, when the area began to deteriorate following the closure of an anchor store within the Duckworth Square Shopping Centre. The Centre became a retail 'cul-de-sac' with tenancies continually failing and units remaining empty. The Centre was demolished in 2003. The closure of Debenhams (on the opening of Westfield, now the Intu Centre) and the failure of the hotel and night clubs on Colyear Street have added to sense of dereliction and blight in the area and its consequent negative impact on the City centre as a whole. Becketwell is an archetypal case of market failure requiring public sector intervention to achieve regeneration.
- 4.3 'Becketwell Regeneration' was identified as a key priority in the City Centre Masterplan 2030. In March 2017, Council Cabinet approved an interventionist strategy to regenerate the wider Becketwell area comprising:
1. *Land assembly and de-risking the sites by addressing site abnormalities.*
 2. *Securing private sector delivery partner(s) to redevelop the site on a mixed use basis in a way which is both sustainable and contributes to the vibrancy of the city centre.*
- 4.4 Good progress has been made in pursuing this strategy:
- The Council had acquired Duckworth Square in 2014 and more recently the former Debenhams building in 2017 (together with miscellaneous properties on Green Lane);

- Site investigations have been carried out to ascertain the extent of works required to the substantial retaining wall to the South end of the Duckworth Square site. Further, demolition surveys have been carried out to the former Debenhams building which take into account the complex 'party walls' to the building and a scheme is currently being drawn up for its demolition. These will both be subject to a separate report to Cabinet before works progress.
- Following an open invitation, St James Securities (SJS) have been appointed preferred delivery partner for the former Debenhams building. SJS have extensive experience of working with the public sector to regenerate difficult brown field urban sites.

4.5 The Council has been given the opportunity to acquire two assets located within the Becketwell regeneration area. The acquisition of these assets will consolidate land ownership in the area and will support the delivery of regeneration proposals for the area. Officers have undertaken due diligence in respect of these properties and have identified the financial implication and risks associated with these potential acquisitions. Details of which are contained in the confidential report submitted to this Cabinet.

Proposed Ice-rink

4.6 Cabinet, March 2017, approved activity to procure, through an EU compliant process, an operator for a commercial leisure ice-rink on Duckworth Square. This was a precursor to creating an ice-rink facility on a self-funding basis on the site. The construction of an ice rink at Becketwell is not the Administration's preferred solution for regeneration at Duckworth Square and this view has been strengthened by their consideration of projects and commitments across the Council. Therefore, this report recommends the termination of the procurement exercise. Following Cabinet approval, a contract award notice must be published in OJEU to announce that the contract has not been awarded and the reason for this.

OTHER OPTIONS CONSIDERED

5.1 The Council could decide not to pursue the acquisition of these properties. This could mean that the city centre may not be regenerated to provide the best overall city centre offer for Derby.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The financial implications in respect of these strategic property transactions are set out in the confidential report considered at this Cabinet meeting.
- 1.2 The cost of the procurement exercise to identify an ice rink operator has been £190,000. This is a revenue cost, that has been funded from reserves.

Legal

- 2.1 The legal implications in respect of these strategic property transactions are set out in the confidential report considered at this Cabinet meeting

Personnel

- 3.1 No implications arising directly from this report.

IT

- 4.1 No implications arising directly from this report.

Equalities Impact

- 5.1 Any projects in this area, whether private for Council will work to equality and diversity legislation and good practice and also to Building Regulations to make sure of access and inclusion for disabled people.

Health and Safety

- 6.1 The health and safety implications in respect of these strategic property transactions are set out in the confidential report considered at this Cabinet meeting

Environmental Sustainability

- 7.1 These transactions will support and assist the regeneration of this and the surrounding areas.

Property and Asset Management

- 8.1 The Property and Asset Management implications in respect of these strategic property transactions are set out in the confidential report considered at this Cabinet meeting

Risk Management

- 9.1 The Risk Management implications in respect of these strategic property transactions are set out in the confidential report considered at this Cabinet meeting

Corporate objectives and priorities for change

- 10.1 To support the delivery of the objectives of the City Centre Masterplan 2030.
- 10.2 To deliver the comprehensive regeneration of the Becketwell area of the city centre.