

**VISUAL ARTS AND MEDIA CENTRE (VAMC)
DEVELOPMENT PLAN**

Report of the Director of Development and Cultural Services

SUMMARY OF REPORT

- 1.1 The Arts Council for England has allocated provisional funding for VAMC subject to the preparation of a satisfactory development plan by a deadline of 31 March 2003. A development plan has been prepared by the VAMC partners – Metro Cinema, Q Arts, Media Archive for Central England (MACE) and the City Council with the help of consultants David Powell Associates. Formal approval of the development plan by the partner organisations, including the City Council, is required as part of the submission.
- 1.2 Although the development plan is largely complete, a number of outstanding issues will need further clarification in consultation with the Arts Council over the next few weeks if we are to receive their approval, and if the project is to demonstrate its viability.

OPTIONS CONSIDERED

2. The development plan has examined a wide range of options in respect of building location, governance, programming and operations.

RECOMMENDATION

3. To approve the development plan subject to the resolution of those outstanding issues outlined in the report.

REASONS FOR RECOMMENDATION

4. In order to progress the VAMC project within the deadlines required for capital funding support.

MATTER FOR CONSIDERATION

- 5.1 The Derby Visual Arts & Media Centre (VAMC) is a new focus for the creative industries in Derby. Three organisations – Q Arts, Media Archive for Central England (MACE) and the Metro Cinema will join forces with the Assembly Rooms to create a revolutionary cultural partnership in the heart of Derby. VAMC will be a place where people can make, learn, see and do. It is a landmark project representing the past, present and future of digital arts and media in Derby and the East Midlands. It already benefits from the supportive participation of key stakeholders from local, regional and national organisations.
- 5.2 In January 2001, Derby City Council (DCC), made an initial application to the Arts Council for England (ACE) for capital funding to support the project. The current timetable for the development of the project is driven by the requirements of the Arts Council for a full development plan about the project. This development plan has been drafted and assembled since November 2002. It must be submitted to ACE by 31 March 2003.
- 5.3 In July 2002, Cabinet considered a report which outlined the VAMC proposals and discussed specifically the siting options for the building. Cabinet resolved “to identify sites within the Market Place and Full Street sites, as, the preferred sites for the Visual Arts & Media Centre, to go forward for full examination as part of the detailed feasibility study to be prepared as the next stage of the project”.
- 5.4 It is planned that the VAMC will open in April 2007 allowing a four-year period to raise the capital funding, design and construct the building, and fully develop the organisational partnership.
- 5.5 A development plan has to be prepared by 31 March 2003 to meet Arts Council for England deadlines if the provisional lottery grant is to be released to enable the project to proceed. More importantly a satisfactory development and feasibility study is needed to enable the partners, including the City Council, to commit to the project.
- 5.6 The development plan has been prepared by the partners with the help of consultants David Powell and Associates. A copy of the Executive Summary is available on Derbynet.
- 5.7 A very considerable effort has gone into the production of the development plan and real progress has been made in developing the VAMC project. However, inevitably, with the partners limited resources and the complexity of working with partner organisations within various funding regimes, several key issues are likely to need further clarification in consultation with the Arts Council in the coming weeks. These include:
- capital and revenue costs and funding sources
 - organisational strength of the partners

- governance
- project leadership and management
- siting and design

5.8 On the latter issue, further appraisal of siting options has been considered in the development plan resulting in a proposal to locate the building at the eastern end of the Market Place linked directly with the Assembly Rooms as the preferred option. Further detailed designs based around this option will emerge during the proposed architectural competition process which will include public consultation.

5.9 It is recommended that approval be given to the submission of the development plan and that further work with partners should be progressed in consultation with the Arts Council to resolve the outstanding issues.

FINANCIAL IMPLICATIONS

6. The development plan includes a detailed assessment of both capital and revenue costs and sources of funding. Both at this stage show significant funding gaps which will need to be closed to secure Arts Council approval, and project partners commitment.

LEGAL IMPLICATIONS

7. Detailed governance arrangements for VAMC are still being finalised. The City Council will have a role on the Board of Management and probably as freehold owner of the building which will be let to partners or VAMC.

PERSONNEL IMPLICATIONS

8. An assessment of staffing requirements has been included and costed in the development plan.

ENVIRONMENTAL IMPLICATIONS

9. Building design will be the subject of an architectural competition which will seek to produce a building and associated landscape of the highest possible quality. The competition process will include significant public consultation.

EQUALITIES IMPLICATIONS

10. The VAMC aims to make its programmes and activities accessible to all sections of the community.

Background Papers:
None

DERBY VISUAL ARTS AND MEDIA CENTRE – PROPOSED DEVELOPMENT PLAN

EXECUTIVE SUMMARY – PREPARED BY DAVID POWELL ASSOCIATES ON BEHALF OF VAMC CONSORTIUM

1. INTRODUCTION

The Derby Visual Arts and Media Centre (VAMC) is a new home for the creative industries in Derby. Three organisations – Q Arts, Media Archive for Central England (MACE) and the Metro Cinema will join forces with the Assembly Rooms to create a landmark cultural partnership in the heart of Derby. VAMC will be a place where people can make, learn, see and do. It is a landmark project representing the past, present and future of digital arts and media in Derby and the East Midlands. It already benefits from the supportive participation of key stakeholders from local, regional and national organisations.

In January 2001, Derby City Council (DCC) made an initial application to the Arts Council for England (ACE) for capital funding to support the project. The current timetable for the development of the project is driven by the requirements of the Arts Council for a full development plan about the project. This development plan has been drafted and assembled since November 2002. It must be submitted to ACE by 31 March 2003.

The proposed location for the VAMC is on the Market Square adjacent to the Assembly Rooms. It is planned that the VAMC will open in April 2007 allowing a four-year period to raise the capital funding, design and construct the building, and fully develop the organisational partnership.

2. RECENT DEVELOPMENT WORK

Prior to the development of the development plan, the partners in the project – Q Arts, the Media Archive for Central England (MACE), Metro Cinema and the Assembly Rooms – have been through a health check assessment with ACE. In November 2002 consultants David Powell Associates (DPA) were appointed by DCC to advise on and construct the Development Plan. They are co-ordinating 14 other independent consultants and organisations to advise on a wide range of factors and considerations in developing the plan.

This has included:

- establishing and setting out the vision for the VAMC

- working with the partners to assess and support their development and growth in the new facility and consolidate the partnership
- developing a model of governance
- market research and developing strategies for audience development
- access and cultural diversity and disability access
- looking at options for the building site and design, the inclusion of public art and artists commissions, initial plans for an architecture competition, and a project risk assessment
- identifying capital costs and in conjunction with DCC and sources of funding
- developing the business case
- developing strategies for education and information and communications technology in the building
- the next stages of board and organisation development and training
- PR and promotional plans

In addition, DPA is working with the partners to set out the next stages of the development of the resources through the coming years before opening.

Whilst the process and timetable is currently driven by the submission to ACE, the arts lottery funding applied for forms only one part of the total capital cost to be raised over the next two years.

3. **THE VISION FOR THE VAMC**

The new Visual Arts and Media Centre will be a hub for creativity and dynamism providing Derby with:

- a building where you can make, learn, see and do
- a focus for networking and mutual support
- a means to take Derby to the arts world and bring the arts world into Derby

The four partner organisations will continue to operate independently but will work closely together to create a dynamic cultural hub in the heart of the City. The Visual Arts and Media Centre will be more than the sum of its parts. Not only will Derbians gain access to a landmark building but there will also be new opportunities to participate in a greater level of creative activity.

Q Arts

Q Arts is a contemporary visual arts organisation working with moving image, photography and digital media. With participation and engagement at the centre of its work, Q Arts brings a distinctive contemporary visual arts element to the partnership with a programme centred on a unique fusion of exhibition, participation and creative production.

Housed in one of the region's first new purpose-built visual arts spaces, Q Arts will expand the quality, scope and accessibility of its programme and become a dynamic centre for artists, users and audiences. Co-location with MACE and Metro creates the ideal opportunity to develop more opportunities for artists working in moving image, photography and technologies. This in turn becomes a key focal point for, and place to see artists' new media work in the region.

Q Arts has an outstanding record in creative and participative work with social, economic and environmental regeneration partners in the City and diverse local communities throughout the county bringing contemporary visual culture and arts into the centre of the City. The organisation is currently undertaking Organisational Review funded by ACE.

Metro Cinema

With the proposed 3 new state of the art screens at the VAMC, Metro will be ideally placed to build on its current successful programme of over 240 films from 25 different countries. More screens will mean more films. Rather than waiting for a film to arrive, audiences in Derby will see films earlier and titles will play for longer. New releases will play at the Metro on, or very soon after, their release date and, play for extended runs. Typically films that currently play for a fortnight might play for four weeks, and those titles now programmed for a week will play for a fortnight or more.

In addition, Metro delivers a progressive education and access programme and has pioneered work with Derby's deaf community. It is the only UK cinema showing BSL signed screenings.

MACE – the Media Archive for Central England

MACE collects film, media and television material from across the country and makes these materials accessible for pupils, students, the public and enthusiasts. This growing regional archive will be based in Derby at the VAMC from where media will be available for display, archive and education programmes.

Archives have an air of mystery and are often perceived as rather forbidding. The presence of an archive within VAMC offers an opportunity to convey a very different message about the nature of an archive. The collections will be made accessible in Derby to everyone from the general public to specialist researchers from higher education, from the TV researcher to the primary school pupil. MACE's commitment to inclusivity in collection development and access reflects and works with all the diverse communities of the region, and will contribute to the development of a sense of place at the VAMC. This is a new agency planning its future.

The Assembly Rooms

The Assembly Rooms, Derby's leading arts and entertainment venue, will be revitalised by the development of the Visual Arts and Media Centre. New events will enhance the existing Assembly Rooms programme of large scale, broadly based programme of events. The presence of three dynamic partners will create new opportunities to explore a broader range of educational and cultural work, and attract new audiences.

DCC is currently reviewing the management and programme direction of the Assembly Rooms with the potential for the venue to operate as an independent entity.

The location of the VAMC on the Market Square will provide a new centre for the public, creative and culturally diverse communities of Derby. Access and learning are designed into the heart of the programme and the facilities. The full resource and partnership programme will bring contemporary culture and regional heritage together in the centre of the City and present the best of Derby's creative work, providing a focus for networking and creative support.

4. GOVERNANCE

It is proposed that:

- a separate company – Visual Arts and Media Centre Ltd (VAMC Ltd) is formed to operate the new building
- The VAMC Ltd board will include Q Arts, Metro, MACE and Derby City Council in addition to experienced independent board members
- Derby City Council will own the new building and let it through a peppercorn lease held by VAMC Ltd. Through this arrangement all VAT paid on the capital works will be reclaimable
- The partners are tenants of VAMC Ltd, renting space from which to run their programmes
- VAMC Ltd will provide building and common services; education, marketing and audience development, management expertise and services, and co-ordination and brand consistency

5. BUILDING AND ARCHITECTURE

Identifying the Site

The City Council's citywide strategy for Derby CityScape divides the City into quarters to give more detailed design and frameworks for specific parts of the City. The VAMC is to be located in the Civic Quarter. The Civic Quarter links specifically with the proposals in the Northern Quarter for the Creative Industries Development project, the University, the Playhouse and other creative businesses.

Building Design Partnership carried out a site appraisal between May and November 2002. This included sites on Full Street at the magistrates courts, old police station site and open area to the west, and various sites on Corporation Street between Tenant Street and the Assembly Rooms.

It was concluded after discussion with the Council and the partners to locate the building at the site next to the Assembly Rooms on the Market Square.

The new building

This building will be Derby's first major public building of the 21st century and its brief, to house a centre for the enjoyment of and education in the visual media, will place it in the forefront of the emerging art forms of this century. Even at this feasibility stage it is evident that the site and mix of uses coupled with the enthusiasm and contributions of the partners provides the opportunity to produce a highly original and exciting building both for the users and the wider public.

The new landmark VAMC building will give a strong statement of Derby's commitment to creativity, cultural economy, inclusion and diversity. At this stage the location and initial assessment of the location and area requirements of the building have been assessed.

The architectural team to take the building through detailed design and construction will be selected through an architectural competition at the beginning of the next stage of development.

The diagrams and drawings attached at the end of this report are simply indicative of the scale and location of the building prior to detailed design resulting from the architectural competition.

The Facilities

The proposed works include:

- constructing the VAMC out onto the Market Square
- demolishing the Assembly Rooms Reception Suite. There will be an equivalently sized meeting and activity space included in the VAMC building
- demolishing the Tourist Information Centre and Box Office. Equivalent space will be provided in the new building for the Tourist Information Office, and a new box office will also be included serving all four partners
- a new combined entrance for all partners including the Assembly Rooms

State of the art facilities including specialist and dedicated areas for all partners will be included in the new building. The following particular facilities will be provided for each partner:

- Q Arts – exhibition space, workshops, multimedia studios and facilities, darkrooms, artists' studio
- Metro – 3 cinemas (290, 150 and 90 seats), education and meeting room and central projection box screening silent through to digital cinema
- MACE – video and film workrooms, archive stores, viewing, research and seminar rooms, exhibition space
- Assembly Rooms – new entrance, better box office, access to educational and new public spaces
- Central Resources – common entrance area and reception, café/bar, booking office, tourist information centre, administration offices, cultural industries workspaces
- Central Systems – integrated IT/digital structures and web presences

6. THE BUSINESS CASE

Key Principles

There are key principles driving the development and sustainability of the VAMC:

1. The partners' budgets must be sustainable and enable the delivery of more and better programme
2. Significant public investment will be required to deliver high quality access and programme for all the citizens of the City
3. Increased support is needed for new programme and developing and operating the new VAMC organisation
4. The partners and core operation of the VAMC will need to gain more certainty over the continuity and scale of grant aid
5. The core operation of VAMC will need strong management, financial and promotional capability, particularly if it is to deliver centralised programmes combining the activities of the partners in co-ordinated programming
6. Income optimisation from users and audiences of the resource
7. The development of commercial opportunities within the building to support the core operation and provide regular and reliable income.

Operation

The VAMC will be a major new cultural complex. The Assembly Rooms has a turnover of c£2.25m and Q Arts, Metro and MACE are proposing turnovers when resident in the VAMC of c£1.8m per annum. This develops an overall organisation with a turnover of c£4.0m per annum. Currently the partners' have audiences and users of 375,000 per annum. This number is forecast to grow significantly when the partners come together in the new VAMC building. The Metro audience will grow from 25,000 to 110,000 per annum.

This development and growth in the programme will necessitate financial growth and financial challenges for all partners and for the core VAMC operation. It will also necessitate increased financial support for new programme.

In the next stage of development, long-term funding programmes need to be developed in addition to the quantification of commercial opportunities.

The Revenue Budget

Budget development is still in progress and will be further developed over the next few weeks prior to submission to the Arts Council. At this stage for the period 2007-2010 (i.e. the first 3 opening years of the VAMC) c75% of earned income and grants have been identified. Strategies for reducing the c25% of uncertain income will include:

- cost saving through a greater degree of shared services
- review of building service/"rent" (@c£10 per sq ft)
- ensuring a lean central management company that delivers efficient and effective services for the partners and users of the facility
- exploring and developing commercial income sources
- increasing audience and user derived income
- developing and securing relationships with funders and programme suppliers

7. CAPITAL COSTS

The total capital project cost is £11.5m and includes costs for land, demolitions, construction, public art, professional fees, equipment, fittings and ICT.

This will provide a fully operational, fully equipped and resourced high quality new building equipped resource delivering the partners' and their shared requirements.

Information and communications technology has been carefully explored. The building will be equipped and installed with an infrastructure allowing for future developments and the ability to deliver fully accessible high level facilities.

As noted above the capital project will also create a common entrance for the VAMC building and the Assembly Rooms, with a new Tourist Information Centre and Box Office for all partners.

The land the VAMC is to be built on is in the ownership of the City Council who has indicated their intention to donate this land to the project. The value of the land is to be included as matching funding.

Capital Fundraising

There is a substantial fundraising task to be undertaken to raise the capital funds for the VAMC. Fundraising group FOCUS will be working with the Council and the partners to develop and execute the fundraising strategy and plan.

At this stage funding targets for the £11.5m total capital cost are:

1.	Derby City Council (land)	£1,500,000
2.	ERDF	£1,750,000
3.	Arts Council England	£3,000,000
4.	Heritage Lottery	£1,500,000
5.	Trusts, foundations, etc.	£ 750,000
6.	Learning Skills Council	£ 500,000
7.	East Midlands Development Agency	£1,250,000
8.	Sponsorship	£1,250,000

In addition the potential for funding from PFI is to be assessed. There will also be collaboration with significant stakeholders in the VAMC. These include the Derby City Partnership, City Council, Arts Council for England and East Midlands Arts, Government Office for the East Midlands, the Heritage Lottery Fund and the East Midlands Development Agency.

8. THE DEVELOPMENT TIMETABLE

The VAMC is projected to open in April 2007. The following optimum programme indicates key stages and periods in the development period:

- Capital Project Fundraising – current to March 2005
- Architectural Competition – June to September 2003
- Building design and pre-construction period – October 2003 to December 2004
- Construction – January 2005 to September 2006
- Building and equipment fit-out – September 2006 to March 2007
- VAMC opens April 2007

During the four years the building is being designed and constructed, partners will develop their own and VAMC co-ordinated programmes with an increasing emphasis in the year before opening on pre-opening programmes. Marketing and promotion of the resource will increase prior to the launch of the VAMC.

It is intended to keep disruption to the Assembly Rooms to the absolute minimum during the construction phase, though temporary accommodation will need to be found for the Tourist Information Centre and the box office. The programme should not be disrupted to any great extent.

9. NEXT STAGES OF DEVELOPMENT

The following are the proposed next stages for the development of the VAMC after submission of the Development Plan to the Arts Council for England.

1. Consolidate the governance, leadership and direction of the VAMC – establish VAMC Ltd as an operating charity/company
2. Board development
3. Find an independent Chair to lead the project
4. Establish a full development team to support and drive the VAMC development process
5. Appoint Project Direction and Management
6. Immediate implementation of the capital fundraising programme
7. Secure the funding arrangements for the partners and the capital project
8. Promote the project with DCC, EMDA, ACE and other stakeholders
9. Promote the project with other funders – HLF, LSC, ERDF etc
10. Finalise the development timetable
11. Organise and execute the Architectural Design Competition
12. Procurement for design, building, equipment
13. Key VAMC staff recruitment and organisation development dates
14. Develop the pre-opening programme and promotion of the VAMC

Append:

Drawings

Capital costs chart

Lists of all consultancies, and list of risk and other appendices