

Minute extract

63/17 Derby Performance Venue – Progressing the Project to the Next Steps

The Council Cabinet considered a report which stated that the development of a new Performance Venue was the key priority for Derby's City Centre Masterplan 2030. It was seen as being the focal point for city centre regeneration, a catalyst for further investment and a key development in terms of supplementing the cultural offer in the city and the visitor economy. In addition, one of the Council's key pledges announced in June 2017 was that *"The Council will invest in Assembly Rooms / Debenhams / Duckworth Square sites to increase city centre footfall by 10% by 2025."*

Feasibility work had been undertaken to explore the most affordable and deliverable option for a new venue on the site of the Assembly Rooms and to prepare an Outline Business Case for the project. The potential for replacing the existing Assembly Rooms car park with a larger and more user friendly car park formed part of the feasibility work and was a key part of the emerging business case for the project.

All of the options explored, to a greater or lesser extent, were currently projecting a shortfall in capital funding towards the construction costs, with some requiring an on going revenue operating subsidy.

At this stage it was considered that the only option with the potential to be affordable, in both capital and revenue terms, was the Music and Performance Venue (outlined in paragraph 4.14 of the report). Early work exploring the economic benefits of this option indicates that it would help generate approximately 395 gross full-time equivalent jobs on and off-site and contribute £9.6million of Gross Value Added per annum.

The report sought approval to carry out further project development works (outlined in paragraph 4.12 of the report) to assess the costs and risks involved. At the same time, officers were seeking additional external funding to support the project.

The Executive Scrutiny Board resolved to strongly recommend to Council Cabinet that:

1. The decision to commit and risk funds of £475k and decision to approve the Music and Performance Venue as the current preferred option for a new venue on the Assembly Rooms site should be deferred until a wider consultation exercise has taken place.
2. The wider consultation should:
 - Involve the general public, local arts and theatre groups as well as other interested groups: and

- Include a full range of options as well as the 'preferred option' with full expectations, including transparency on cost and deliverability, to enable the public to understand and make fully informed choices.

Options Considered

The other options considered to date were:

- *Options for a new Performance Venue* (see paragraph 4.4 and Appendix 2 of the report).
- *Do nothing* - The fire damage caused to the Assembly Rooms in March 2014 had left the building redundant and the building had not been used for over three years. Doing nothing was not an option or the building would remain redundant.
- *Pause the project pending additional funding availability* – If the Council did wish to pursue either the Lyric Theatre or Hybrid Venue options (the more expensive options), then Council Cabinet could choose to pause any further work on the project until significant additional capital funding had been sourced. There were no significant current funding opportunities available to bid for, beyond the Local Growth Fund already secured.
- *Non-Performance Venue: Retail and Leisure Development Option* – The Council could look to redevelop the Assembly Rooms site for alternative development. The current proposal was to pursue the redevelopment of the Assembly Rooms site for a new Performance Venue. So this option was not currently being pursued.

Decision

Having considered the recommendations of the Executive Scrutiny Board:

1. To note the conclusions of the feasibility work undertaken to date and, in light of financial viability and sustainability considerations, the emergence of the Music and Performance venue as the Council's preferred option for a new performance venue in the city centre.
2. To approve a consultation exercise which explains the advantages, disadvantages and the financial viability of the options considered, and seeks views of stakeholders and the public.
3. To delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Regeneration and Economy and the Cabinet Member for Leisure, Culture and Tourism, to review the outcome of the consultation and the decision as to which option should be pursued.

4. To delegate to the Strategic Director of Communities and Place authority to undertake the following work in relation to the preferred option as per 3 above.
 - Seek tenders for operators of a new venue (taking into account the Council's emerging overarching strategy for delivery of leisure and culture);
 - Develop an outline design for the new venue and associated car park;
 - Explore additional funding opportunities from external public and private sources for the project.
5. To approve a budget of £500k to deliver the work described in 4 above and the additional consultation described in 2 above, funded from the Assembly Rooms insurance monies that form part of the Council's reserves.

Reasons

1. To support the delivery of the City Centre Masterplan 2030 objectives.
2. To facilitate the delivery of a new Performance Venue on the site of the Assembly Rooms.