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17 November 2020

To: All Councillors

As a Member of the **Council**, please treat this as your summons to attend an **extraordinary virtual meeting** on **Wednesday, 25th November 2020 at 6.00pm** via the Zoom application. (Joining details will be provided separately).

Under Regulations made under the Coronavirus Act 2020, the meeting will be held virtually. As a member of the public you can view the virtual meeting via the District Council's website at www.derbyshiredales.gov.uk or via our YouTube channel.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'James McLaughlin', written over a light blue horizontal line.

James McLaughlin
Director of Corporate and Customer Services

AGENDA

1. APOLOGIES

Please advise the Committee Team on 01629 761133 or e-mail: committee@derbyshiredales.gov.uk of any apologies for absence.

2. PUBLIC PARTICIPATION

As the Council cannot hold meetings at the Town Hall, Public Participation can only take place using the Zoom application or by written representations. Members of the public are able to comment or ask questions on the items listed in the agenda and must give notice before 12 noon on the day preceding the meeting by:

Web-form: [Make your submission here](#)

Email: committee@derbyshiredales.gov.uk

Post: Democratic Services, Derbyshire Dales District Council, Town Hall, Matlock DE4 3NN

The Committee Team will assist any member of the public without access to electronic means by capturing their concerns over the telephone.

Phone: 01629 761133 (working days only 9am – 5pm)

Written representations, received by the deadline will be read out at the meeting, verbal contributors will receive instructions on joining the meeting after giving notice.

All meeting proceedings open to the public will be streamed live on our YouTube channel when all non-exempt items are being considered. Recordings of the meeting will also be available after the event on the District Council's website.

3. INTERESTS

Members are required to declare the existence and nature of any interests they may have in subsequent agenda items in accordance with the District Council's Code of Conduct. Those interests are matters that relate to money or that which can be valued in money, affecting the Member her/his partner, extended family and close friends. Interests that become apparent at a later stage in the proceedings may be declared at that time.

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4. LAND AT BAKEWELL ROAD, MATLOCK: PROPOSED CONVERSION OF MATLOCK MARKET HALL 03 - 40

To consider approval of a business case for the proposed conversion of Matlock Market Hall, to enable provision of a new indoor leisure attraction and enclosure of part of the adjacent covered bus bay area, to provide an ancillary commercial use to support the regeneration of the town centre.

5. EXCLUSION OF PUBLIC AND PRESS

At this point the Committee will consider excluding the public and press from the meeting for the reasons shown in italics below.

(This item contains information which relates to the businesses affairs of the Council.)

6. LAND AT BAKEWELL ROAD, MATLOCK: PROPOSED CONVERSION OF MATLOCK MARKET HALL 41 - 108

To consider exempt information relating to the business case for the proposed conversion of Matlock Market Hall, to enable provision of a new indoor leisure attraction and enclosure of part of the adjacent covered bus bay area, to provide an ancillary commercial use to support the regeneration of the town centre.

EXEMPT Report: This report is exempt under the Local Government Act 1972 Schedule 12A paragraph 3 - Information relating to the financial or business affairs of any particular person.

7. SEALING OF DOCUMENTS

To authorise that the Common Seal of the Council be affixed to those documents, if any, required completing transactions undertaken by Committees or by way of delegated authority to others, since the last meeting of the Council

NOTE

For further information about this Agenda or on "Public Participation" call 01629 761133 or e-mail: committee@derbyshiredales.gov.uk

COUNCIL EXTRAORDINARY MEETING
25 November 2020

Report of the Director of Regeneration and Policy

LAND AT BAKEWELL ROAD, MATLOCK: PROPOSED CONVERSION OF MATLOCK MARKET HALL

PURPOSE OF REPORT

To consider the Business Case for the proposed conversion of Matlock Market Hall to enable provision of a new indoor leisure attraction and enclosure of part of the adjacent covered bus bay area to provide an ancillary commercial use to support the regeneration of the town centre.

RECOMMENDATION

1. The outcome of the September 2020 funding bid submitted under D2N2's Project Call for Future Funding Programmes is noted.
2. The outcome of further stakeholder consultations and external professional advice received in relation to the scheme is noted.
3. The project scope, costs, benefits, risks, delivery approach and forward programme detailed within the Business Case are noted – **included in an exempt appendix as contains commercially sensitive information.**
4. The Business Case for the scheme, proposing District Council investment of up to £800,820 to enable conversion of Matlock Market Hall into a two screen cinema and enclosure of part of the covered bus bay area - retaining two of the existing bus bays - to create a new retail / food & beverage unit be approved and the scheme be included in the Council's 2021/22 Capital Programme with a contingency of £48,000 included within the approved Economic Development Reserve.
5. The Council opts to tax the site area in Recommendation 4 comprising the proposed first phase of development.
6. Plans are actively pursued with Derbyshire County Council to enable implementation of a new 3m wide footway, bus shelters and layby provision along the western elevation of the building to improve provision for bus passengers as a second phase of works, subject to proposals being fully funded by the County Council and the scheme avoiding sterilising any part of the development site not brought forward in the initial development phase.
7. Subject to implementation of new bus infrastructure provision within the site by the County Council (resulting in the remaining bus bays becoming redundant):
 - i. in the short term, the remaining bus bays and Market Hall service bay area be utilised for deliveries and staff parking for the new development
 - ii. in the longer term the space identified in 7i) be safeguarded for future community use as a potential phase 3 development with fundraising to

- be undertaken by Matlock Community Vision (or another local community organisation) to meet necessary development costs and a viable business plan be prepared to support operational costs;
- iii. the District Council continues to work with Matlock Community Vision to help facilitate community uses as a potential phase 3 development, with arrangements and terms for the future use and operation of this part of the site to be agreed at a future date.
 - iv. should further development not come forward within a period of five years following completion of the cinema, the District Council will review the future use of this space with Matlock Community Vision.
8. A variation to Contract Standing Orders is agreed enabling the Council to enter into agreement with the proposed developer / operator on the basis of the construction and project management arrangements proposed following due diligence checks.
 9. The position following consultations with the remaining Market Hall licensee is noted and incentive - **as detailed in the exempt appendix to the report** - agreed as payment to vacate the property under a new agreement by way of a rent free period / sum to support the relocation of the business.
 10. Authority is delegated to the Director of Regeneration & Policy to issue Heads of Terms for a Development Funding Agreement comprising a grant agreement to enable the cinema development and contract for construction works for the retail / food & beverage unit; and Agreement to Lease and Lease for the cinema to the proposed developer / operator.
 11. Authority is given to enter into formal Agreement subject to securing planning approval for the development proposed and vacant possession of the Market Hall.

WARDS AFFECTED

Matlock All Saints and Matlock St Giles and wards within the central area of the district.

STRATEGIC LINK

The development of the Bakewell Road site will positively contribute to the Corporate Plan priority of Prosperity, specifically: *'Promoting investment to stimulate the economy of our market towns'*. Initiating a development scheme for the Bakewell Road site on the edge of Matlock town centre has been identified by Members as a priority action in the 2020-2024 Corporate Plan and the COVID-19 Economic Recovery Plan.

1 BACKGROUND

- 1.1 The District Council owns the freehold interest in land at Bakewell Road, Matlock and occupies the Market Hall building and covered bus bay area by way of a 99 year under-lease dated 17th May 1986. The head lease is held by London Metric who sublet the neighbouring property to M&S and Boyes.
- 1.2 The Market Hall comprises a concrete frame building adjoining the Matlock M&S Food Hall with a flat roof accommodating an upper level District Council operated car park. The adjacent lock up unit (existing fruit and veg stall) and

adjoining space comprise a concrete apron area divided into individual drive in / reverse out bus bays within a lean to roof structure off the side elevation of the Market Hall providing a covered waiting area for buses and taxis. This overhang area also comprises the rear service bay to the Market Hall, toilets and plant. Whilst changes in bus provision and development of the bus interchange adjacent to Matlock train station have resulted in only two of the bays being used by bus services, with the first serving as a collection point for taxis queuing opposite the site, the Highway Authority requires that a through route for buses must be retained from Imperial Road onto Bakewell Road.

- 1.3 A fire escape is required to be retained to the rear of the adjoining M&S Food hall as well as 24/7 access for M&S / Boyes deliveries during the course of any construction works and future use of the site. An easement also exists over part of the site protecting access to utility supplies. Any development of the site is required to work within these constraints.
- 1.4 A site plan of the Market Hall and adjoining bus bays, photographs and floor plan of the existing Market Hall building are included as **APPENDIX 1-3**.
- 1.5 For several years the District Council has seen reducing demand for stalls within the Market Hall with only two existing licenses – held by a single stallholder – remaining (the hall has capacity for 25+ stalls).
- 1.6 The Bakewell Road site has previously been identified as a Key Development Opportunity. The District Council and Matlock Community Vision (MCV) (CIC working with the Council over several years to bring forward ‘bottom up’ development proposals for the site) have identified development of the site – a long recognised constraint to town centre renewal – as a catalyst for wider improvements and key to driving up footfall.
- 1.7 Previous reports to Community & Environment Committee (reports of 15 November 2018, 21 February 2019, 26 June 2019 and 21 August 2019 refer) and to the Commercial Board (3 October 2019 and 28 November 2019) detail the work undertaken to consider options and bring forward alternative uses on the site. The proposed redevelopment of the site was included in the District Council's Economic Plan approved in November 2019 and Corporate Plan approved in March 2020, and Capital Programme funding requirement included in the Derbyshire Dales COVID-19 Economic Recovery Plan approved on 9 November 2020.
- 1.8 By way of a brief history, the District Council was approached by MCV who were interested in the conversion of the Market Hall and bus station to a range of community related uses. MCV were provided with Council funding (£10,000) to commission a feasibility report undertaken by Aspinall Verdi in respect of potential uses for the property. The feasibility study considered the proposals put forward by MCV but also developed and tested other options, which included a range of uses including a cinema, office, retail and bookable meeting / event space. The consultants concluded that two of the four options identified were not able to cover the running costs, whereas two options might generate sufficient income to cover running costs, substantially based around forecast

demand for meeting rooms and event space. However, for all four options, significant capital costs associated with the redevelopment of the site were identified, with no clear proposals for meeting these nor the revenue implications of financing such costs. However, it was considered that some aspects of the proposals were worthy of further investigation – including prior interest from a potential cinema operator.

- 1.9 Thomas Lister Ltd. were subsequently appointed by the District Council to prepare preliminary proposals for the potential re-use of the building (with the support of sub consultants) which included: a cinema; retail / food & beverage unit; two smaller retail / workspace units; and community space. As part of this work, soft market testing was undertaken which identified interest from both cinema operators for a new two screen cinema as well as a retail unit - food & beverage use - on the Bakewell Road frontage, on the basis that a cinema was secured as an anchor tenant for the proposed development.
- 1.10 Emerging proposals were shared with key project stakeholders including: London Metric; M&S; Boyes (no response received); Derbyshire County Council (Local Bus Team); MCV Steering Group and the remaining Market Hall stallholder, plus the Council's Estates, Legal and Planning teams.
- 1.11 Public consultation was then held on proposals in the form of a Draft Development Brief and accompanying survey. The views of local residents, town centre retailers, other local businesses and users of the Market Hall were sought on the brief via a range of methods. A total of 232 responses were received with 88% of responses from local residents / shoppers. 90% of respondents felt development of the site as proposed (in the Draft Development Brief) would complement the existing town centre offer; 86% felt it would improve the experience of town centre users; 85% felt it would increase the length of time people spend in the town centre; and 84% felt it would encourage more visitors to the town centre. Comments received were supportive of the approach within the Brief and range of uses proposed. A significant number of respondents (39) specifically indicated support for utilising the site for leisure purposes – in particular a cinema and/or performance space.
- 1.12 Based upon the outcome of the soft market testing and feedback on the Draft Development Brief, a final Development Brief for the site was agreed by the Council's Commercial Board and authorisation given for a formal developer selection process to be undertaken for the Market Hall. An Invitation for Expressions of Interest was prepared and published on the Council's website in November 2019, which set out the Council's aspirations for the use of the building as well as inviting proposals from interested parties for the use of part or the entire Market Hall property. The preliminary development proposals prepared and Invitation for Expressions of Interest in the site are attached as **APPENDIX 4-5**.
- 1.13 Three outline Expressions of Interest were received in respect of the Market Hall. An assessment of the Expressions of Interest was undertaken by representatives of the District Council, MCV and Thomas Lister Ltd. Based

upon the assessment, the District Council invited the preferred operator to provide a detailed Stage 2 submission in respect of the property.

- 1.14 In parallel to preparation of a detailed proposal by the preferred operator, external funding bids were submitted by the District Council to both D2N2 (Local Growth Fund) and Defra (Rural Development Programme for England) to reduce the financial exposure to the Council and support delivery of other uses including community space. Unfortunately, neither of these funding bids proved successful. Members will also be aware that the site was also the focus of a Future High Streets Fund submission to the Government which was also unsuccessful.
- 1.15 Despite the COVID 19 lockdown introduced by Government in March 2020, the preferred operator retained their interest in Matlock and a detailed proposal was received in June 2020.
- 1.16 Based on the detailed submission received, a Full Business Case in relation to the property has been prepared by the District Council's retained Commercial Advisor Thomas Lister Ltd. (with the Economic Case prepared by AMION Consulting) and District Council officers. The Business Case sets out the Strategic, Commercial, Economic, Financial and Management Case for the proposed scheme. The Full Business Case, which includes commercially sensitive information, is included as an exempt appendix to this report.

2 DEVELOPMENT PROPOSALS

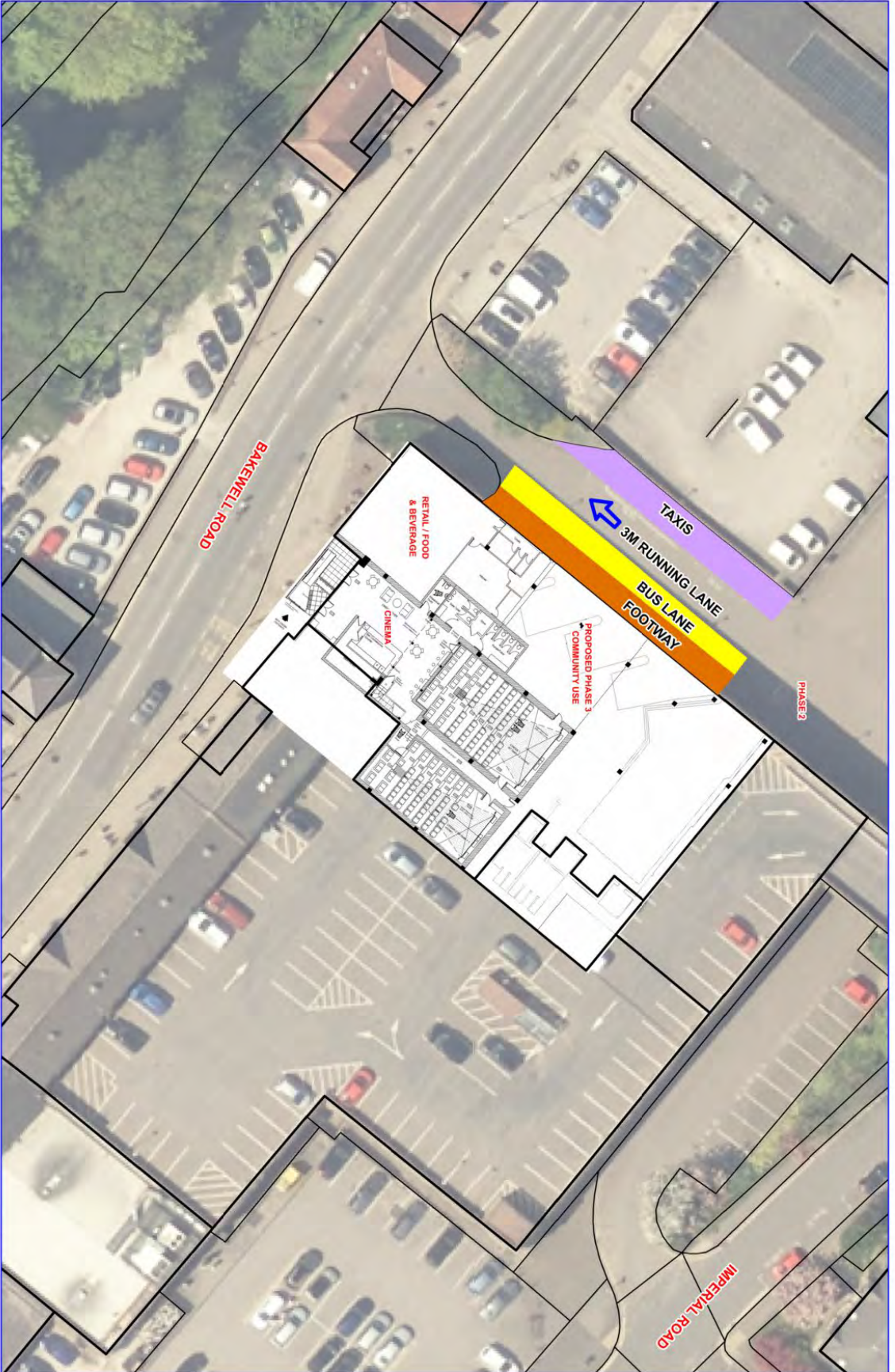
Scheme Overview:

- 2.1 The proposed scheme comprises conversion of the unattractive, underutilised Market Hall to enable provision of a new indoor leisure attraction for Matlock – two screen cinema – and enclosure of part of the covered bus bay area to provide an ancillary commercial use – retail / food & beverage unit – to support project viability. The scheme has been developed with the support of the Council's Commercial Advisor and external legal advice on State Aid and procurement matters from Browne Jacobson. The site is allocated for mixed use re-development within the Derbyshire Dales Local Plan 2017.
- 2.2 The Market Hall is substantially vacant and the existing use, supporting a single market trader, is considered an inefficient use of a large space given the town centre location adjacent to the M&S Food hall.
- 2.3 The property holds a prominent position at the entrance to the town centre from the west. The proposed scheme provides the opportunity to create significant improvements including a return retail frontage to a key property and improved entrance to the retail centre. The objectives of the scheme are as follows:
 - Re-use of the Market Hall and surrounds, bringing 698 sq. m / 7,513 sq. ft of underutilised floorspace into economic use by the end of 2021
 - Creation of a new improved gateway into Matlock town centre by the end of 2021

- Support the visitor and evening economies through enabling provision of an all-year indoor leisure / visitor attraction by the end of 2021, diversifying the town centre offer
 - Support the vitality and viability of Matlock town centre as a retail and leisure destination through increasing footfall by 37,700 p.a. by 2023
 - Support economic recovery post COVID in the short to medium term
 - Secure an area within the site suited to future community uses.
- 2.4 The Market Hall requires significant upfront capital investment to convert and fit out the building to accommodate the alternative uses proposed. The covered bus bay area requires a facing curtain wall on the western elevation with glazed frontage and service connections to enable alternative use of this space.
- 2.5 To support these costs a further external funding bid was submitted under D2N2's Project Call for Future Funding Programmes on 11 September 2020. Although the submission scored relatively well, the project was not identified on the priority list of schemes to be invited to full application should the LEP receive additional capital funding from Government (so effectively sits on a reserve list subject to new funding becoming available).
- 2.6 Following a detailed options assessment the proposed footprint for the development has therefore been revised and based on potential capital funding available from the District Council.

Outcome of recent stakeholder consultations:

- 2.7 London Metric and M&S remain supportive in principle of the proposals – subject to mitigation of disruption to the foodstore during the period of construction works, maintaining 24hr access to the M&S (and Boyes) delivery bay and ensuring protection of the M&S fire escape. Agreement of a further Deed of Variation will be required with the relevant parties to enable specific elements of the proposed scheme.
- 2.8 Derbyshire County Council's Local Bus Team has indicated a willingness to reconsider support for improved bus infrastructure provision to complement development proposals which is welcomed, subject to a successful DCC Capital Programme bid for 2021/22. A funding decision would be made early in 2021 which, if successful, would require works to be co-ordinated with the proposed development of the building. The details of these proposals are currently being discussed, including the size and location of bus shelters, and will be shared with the MCV Steering Group as they develop. The agreed works would require to be fully funded and project managed by the County Council, and not impact development of the site; and would be brought forward as phase 2. An Indicative Phasing Plan is included below:



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- 2.9 Whilst welcoming the re-introduction of a cinema into Matlock town centre, the MCV Steering Group retain wider aspirations for the site, including the provision of community meeting and performance space. The Steering Group has also commented on the need to enhance the public realm in this area. Unfortunately the outcome of the funding bid to D2N2 means that in terms of public funding, for a development to proceed in the short term and operator interest be retained, the scheme is solely reliant on public funding from the District Council. Based on the anticipated costs of the proposed development (necessarily scaled back from previous proposals), the Council needs to 'cut its cloth' accordingly. However, further consideration has been given to enabling community use within the site as a potential future phase (see Detailed Proposals) should DCC bus infrastructure improvements be delivered which would also enable an extended 3m footway along the western elevation to be delivered.
- 2.10 Pre-Application discussions with planning colleagues have been positive. It is considered that the proposal would help strengthen the vitality and viability of Matlock town centre by extending consumer choice / complementary leisure uses. Consideration of the treatment to the area to the rear left for bus passengers and requirement for a Flood Risk Assessment were raised, both referred to elsewhere in this report.
- 2.11 The proposed scheme has also recently been shared with Matlock Ward Members with a useful discussion held on the potential impacts of the scheme and specific site issues to consider including: drainage, better utilising space at the site exit and opportunities to support the Council's climate change agenda. The proposal was also the subject of a Member Workshop held on 12 November to provide Members with further details of the scheme and gain feedback on the proposals.
- 2.12 An update on consultation with the remaining Market Hall stallholder is included in Section 5.

Detailed Proposals:

- 2.13 The development proposals comprise the conversion of existing floorspace together with the infilling of part of the covered bus bay area (retaining two existing bus bays) to create a cinema with two auditoriums with capacity for 67 and 89 seats, together with lobby and toilet accommodation and new retail / food & beverage unit completed to shell specification. The proposed scheme will retain two of the existing bus bays to support and retain bus services operating through the site and include footpath access around the side of the new retail unit to the bus waiting area. A total investment of £800,820 is proposed from the District Council to enable delivery of the scheme. A letter of support from Marketing Peak District & Derbyshire is attached as **APPENDIX 6**. Plans and Artist's impression of scheme proposals are attached as **APPENDIX 7**.
- 2.14 Under the delivery model put forward by the proposed developer / operator it is proposed that the works would be delivered and a lease entered into in respect of the cinema by a newly formed Special Purpose Vehicle Company. The

company shall invest a capital contribution into the proposed works. The proposed terms of the commercial agreement are set out within the Full Business Case for Member consideration.

2.15 It is proposed that the operator would be appointed to deliver the scheme with the District Council required to make a maximum financial contribution of £500,000 towards the cinema conversion works and fund the costs of the retail unit and associated works external works to the site. In addition to their capital contribution, the proposed operator would be required to meet any cost overruns in relation to the development with any cost savings shared between the Council and operator on a 50/50 basis.

2.16 Key points to note:

- **Costs exclude borrowing costs** – should Members approve the scheme the capital funding costs would be met from the Commercial Investment Fund and Capital Programme Reserve removing the requirement for borrowing;
- **Contingency** – subject to scheme approval and agreement of Heads of Terms, the proposed operator would be responsible for any cost overruns on the proposed development. A contingency of £48,000 (6% of costs) has been included within the approved Economic Development Reserve should unforeseen costs be identified within the wider site;
- **VAT** – costs exclude VAT. The Council's external VAT advisors recommend that the Council opts to tax the area proposed for development so that its future leases to both the proposed cinema operator and food & beverage operator are taxable supplies. This will ensure that the District Council can recover, in full, any related input tax it incurs;
- **Funding Agreements** – in line with external professional advice received, the District Council's contribution to the cinema would be by way of a grant agreement (in line with State Aid rules). Funding for the retail / food & beverage unit would be by way of a contract for construction works;
- **Procurement** – as detailed within the Business Case, it is proposed that the District Council would enter into agreement with the operator to undertake a programme of works in accordance with the plans and subject to a detailed specification being agreed to include the conversion and fit-out of the cinema and construction of the proposed new retail unit to a shell specification. The operator proposes to use identified contractors: a general contractor for building work and specialist contractor for the cinema fit out (same contractor used on previous cinema projects).

The District Council would require to appoint its own independent adviser (QS) to confirm the proposed works costs prior to the works commencing to ensure the costs reflect market rates.

As the total value of the works falls below the £4.7M threshold for works contracts the works would not be subject to the Public Contracts Regulations 2015. However, a waiver to Contract Standing Orders may be required. On the basis of the cost controls proposed i.e. that costs are independently assessed and confirmed as at market value and that the

economies of scale achieved by the same contractor team delivering the scheme in a single phase is considered more efficient than the Council procuring all or part of the works itself (the proposed construction costs are comparable with the estimate prepared by cost consultants at the outset of the scheme) it is considered that the Council's Best Value duty can be met.

- 2.17 Once fully let, the cash flow projections prepared by Thomas Lister forecast an income stream totalling c£70,800p.a. as a result of the proposed development based on: initial rental income from the cinema; anticipated rental income from the retail / food & beverage unit; business rates uplift for the Council across both units and projected increase in car park revenue.
- 2.18 The proposed investment of £800,820 is calculated at an Internal Rate of Return of 8.37% and a Net Present Value of £820,468. If the District Council fund the project from their own reserves and therefore any interest costs are excluded from project costs, the Net Present Value increases to £1,749,848 with the 'break even' point estimated at year 13.
- 2.19 Sensitivity analysis has been undertaken as part of the Business Case in respect of the impact of changes in the rental income from the retail unit and the uplift in additional car park revenue generated as a result of the scheme (estimates provided by the Council's Car Parking team).
- 2.20 The scheme has also been assessed against the District Council's assessment criteria as set out within its Commercial Investment Strategy. Investments are required to achieve a score of excellent, good or satisfactory in at least 50% of the applicable criteria which the scheme does, scoring well against the majority of criteria.
- 2.21 In response to stakeholder consultations, subject to provision of new bus infrastructure by the County Council resulting in the remaining bus bays to the rear of the site becoming redundant, it is proposed that the space to the rear of the new retail / food & beverage unit controlled by the District Council be safeguarded for future community use as a potential phase 3 scheme. This would allow Matlock Community Vision or another local community organisation to undertake fundraising to meet development costs and the group to prepare a business plan to support operational costs. District Council officers would continue to work with the Matlock Community Vision Steering Group to help facilitate a potential phase 3 scheme in the longer term. Should development not come forward within a period of five years following completion of the cinema, the District Council would review the future use of this space with Matlock Community Vision.
- 2.22 Consideration will also be given to the layout of the site exit in consultation with the County Council.
- 2.23 As indicated (subject to the outcome of the Derbyshire County Council Capital Programme bid) the proposed revised layout provides for the retention of two bus bays. As bus passengers will no longer be able to access the remaining bus bays / waiting area via the current access through the building, passengers will be required to use a footpath to the side of the new retail unit. As this area

will be more self-contained and towards the rear of the site away from view, the provision of CCTV is being considered.

- 2.24 As the development will take in the first bus bay, a marked crossing area will also need to be provided from the bus waiting area to the line of taxis opposite the site. Consultation will take place with the taxi operators should the scheme receive Member approval.

3 RATIONALE FOR DISTRICT COUNCIL INVESTMENT

- 3.1 As set out in previous reports to Members, first and foremost **the purpose of the scheme is to support the economic regeneration of Matlock town centre by diversifying the town's offer, increasing footfall and boosting the visitor and evening economy.** This approach sits squarely within the Council's place-shaping role.
- 3.2 Matlock has seen increasing vacancy rates amongst retail units during the COVID pandemic. A recent survey undertaken by officers indicated an increase in retail vacancy rates from 5.3% (9 units) in July 2019 to 9.4% (16 units) at the end of September 2020. Confidence on the high street has been further impacted by COVID and investment is needed to encourage footfall and spend back into the town centre.
- 3.3 The proposed development is at a key gateway into the town centre and the rejuvenation of the building will enhance this approach, long recognised as presenting a poor first impression to the town centre from the west.
- 3.4 Beyond Arc on the outskirts of the town, Matlock currently has no indoor cultural / leisure spaces or experiences to tempt visitors or retain local spend, and the evening economy is focused around bars and restaurants. Although Matlock is at the heart of a very popular tourist area, a lack of attractions within the town centre means it is often by-passed in favour of other destinations. The introduction of a cinema and complementary uses will provide a new opportunity for retaining local expenditure, and enable Matlock to better compete with other similar-sized towns.
- 3.5 Other points to note:
- The District Council has an existing leasehold interest in the property (as part of a wider interest across the entirety of the building) and the Council propose to retain their long-term interest within this area.
 - Advice from Thomas Lister Ltd. confirms the proposed arrangements do not generate a development profit and accordingly, would not be attractive to a third party developer / investor without significant public sector financial support.
 - The District Council is able to benefit from wider economic benefits from proposed investment within the scheme which include increases in business rates generation and car park revenue as part of overall financial returns on the proposed investment.

- The costs of operating the Market Hall (including external lock-up unit) marginally outweigh the income being generated hence the District Council considering alternative options.

3.6 Research referenced within the Business Case highlights the impact of independent cinema's on town centres (undertaken by researchers from De Montfort University & Lancaster University on behalf of the Leverhulme Trust and the British Academy, 2019). A members survey of three of the operator's existing sites resulted in 1,314 completed questionnaires with key findings as follows:

- 58.5% of visitors travel one to two miles to the cinema and 76.1% travel 5 miles or less. Only 6.8% of visitors travel more than 10 miles to the cinema
- 71.2% of respondents visit the cinema at least once a month
- 25.6% visit a restaurant and 17.5% visit a bar / pub when they visit the cinema.

3.7 As acknowledged in the Business Case, other cinemas operate in some nearby towns, the closest being the Northern Light Cinema in Wirksworth. The above survey indicates that small independent cinemas such as that proposed for Matlock tend to have a very local market and therefore limited impact on existing cinemas, indicating that in a large rural area like the Derbyshire Dales with different towns each serving their rural hinterland there is room for a number of small independent cinemas to co-exist.

4 ECONOMIC BENEFITS OF THE PROPOSED SCHEME

4.1 The Business Case sets out the gross and net economic benefits anticipated from the proposed scheme. The net benefits from the District Council's investment are assessed as:

- Additional footfall of 37,704 within the town centre
- 18 new FTE jobs (including employment generated longer term in wider town centre businesses)
- £659,816 additional town centre spend per annum
- £4.5m total net GVA over 10 years.

4.2 The proposed scheme also performs strongly in terms of value for money:

- the net 'economic cost' of the proposed scheme is calculated at £43,307
- public sector cost per net job is calculated at £2,395
- £104.50 of GVA is estimated to be generated for every £1 of net public sector investment.

4.3 The Business Case also points to the wider social and community benefits which could be generated by the scheme, including the role of local cinemas in creating social value and enhancing community wellbeing by bringing people together in areas where arts or cultural provision is limited (Community Screen Forum, 2017). Information has also been included from the proposed operator

in relation to hosting community events (by arrangement) at one of their existing cinemas, an approach which they are willing to explore for the Matlock venue.

5 PROJECT RISKS AND PROGRAMME

5.1 As well as understanding the potential benefits, a key part of the Business Case is to understand the project risks and measures to help mitigate these.

5.2 The most significant risks based on the assessment undertaken are considered to be associated with i) the financial failure of the cinema, ii) failure to attract a retail tenant to the property and iii) securing vacant possession.

5.3 Taking each of these in turn:

- i) Given cinemas have been closed for six months as a result of COVID it is considered that there must be some challenges associated with attracting customers back into theatres. The proposed operator has confirmed that their four existing cinemas re-opened in September with proposals for an increased number of performances to offset the impact of reduced capacity in the short term and it is understood that visitor numbers stood (prior to the second lockdown) at an average of 25 – 30% of theatre capacity (around 50% of the restricted capacity due to distancing requirements). Each of the proposed operator's other cinemas have received financial support from the Government's Culture Recovery Fund signalling a commitment to seeing viable independent cinemas through the pandemic. The decision of film distributors to delay release of major movies means there are also a large number of titles waiting to be released when COVID restrictions are eased (opening of the cinema would be December 2021 earliest – see below).

The proposed capital investment by the tenant will increase their commitment to making the cinema a success, and the director's success in the establishment and running of similar independent cinemas in other towns is recognised. It is considered that the directors (or their investors) would not make a decision to close the cinema and liquidate the business without the exploration of all other options.

It is recognised that there are risks associated with the proposed letting of the cinema to a new Special Purpose Vehicle company. This risk is balanced against the capital investment by the proposed tenant in the fit-out of the new cinema and the trading record of the directors who have successfully operated four similar cinemas as separate trading entities prior to approaching Matlock.

The proposed operator has confirmed that they have received an offer for the financial investment required to support the capital investment within the scheme (alongside capital reserves) with borrowing to extend over a period of three years. This is considered further within section 7 of the report.

- ii) The retail property market has been challenging for the past three years given the impact of on-line retailing but more recently as a result of COVID. The proposed new retail / food & beverage unit will benefit from a prominent location on the entry into the town centre as well as benefitting from a location adjacent to a cinema anticipated to attract some 56,000 visitors p.a. Restaurant and

other food outlets have traditionally been attracted by cinema uses given that food and drink frequently form part of cinema visits with such uses often cross subsidising the development of cinema properties. The presence of an M&S Food hall is also considered to benefit this section of Bakewell Road.

iii) Dialogue has been maintained with the remaining stallholder since initial options for the underutilised Market Hall space were first developed, including meetings with the Chief Executive. In developing options for the site, the District Council's ambition has been to retain the business within Matlock. Initial options for alternative space within a potential development scheme and alternative Council premises have previously been discussed with the licensee but neither were of interest. Negotiations to vacate the premises by agreement have therefore been undertaken allowing trade to continue over the busy Christmas period and into the New Year.

5.4 With regard to other potential risks it should be noted that an initial Flood Risk Assessment for the site (and immediate surrounds) has been commissioned and a more detailed assessment will inform the final design of the scheme. As part of the preliminary design, the architect has proposed a demountable flood barrier at the entrance to the cinema.

5.5 Other risks assessed with the Business Case include a potential State Aid challenge and impact of COVID.

5.6 With regard to the timescales, the following indicative project programme is proposed:

| Date | Activity |
|--------------|---|
| 11/20 | Council Decision on Proposals |
| 11/20 – 1/21 | Preparation of planning application for proposed scheme |
| 1/21 | Parties instruct solicitors on Funding Agreements and Agreement for Lease |
| 1/21 | Planning Application submitted |
| 1/21 – 4/21 | Completion of detailed design, specification and tender documentation |
| 4/21 | Planning Application Determined |
| 4/21 | Vacant Possession Secured |
| 5/21 | Legal Documentation completed between the parties |
| 6/21 | Commencement of Works |
| 11/21 | Completion of Works |
| 12/21 | Proposed Opening of Cinema |

5.5 The process of securing a pre-let interest in the proposed retail / food & beverage unit will continue alongside this programme of work.

6 SUMMARY

6.1 Whilst complex, the Market Hall site represents a key development opportunity for the District Council and potential driver for economic regeneration within

Matlock town centre post COVID. Proposals in previous years to re-invigorate the Market Hall or re-utilise the site have not materialised. The scheme provides the opportunity for the District Council to take a lead in supporting the regeneration of the town centre, and secure interest from a cinema operator, despite COVID.

- 6.2 No scheme is without its risks and these are detailed within the Business Case for Member's consideration. The risks identified need to be balanced with the potential benefits of the scheme.
- 6.3 The scheme has been developed with the support of the Council's Commercial Advisor and external legal advice on State Aid and procurement matters. This advice is included with the Business Case.
- 6.4 The proposals seek to 'keep the door open' to future phases (subject to external funding being secured) to help achieve a more comprehensive scheme for the site. This could include measures to support the Council's low carbon agenda in the longer term.

7 RISK ASSESSMENT

7.1 Legal.

The required legal agreement(s) associated with the proposed investment will be prepared by the District Council's Legal Team (with external legal support) and will seek to mitigate risks where possible.

Should the proposed SPV fail within the first three years the third party financier would have first call on the new cinema equipment required. The legal agreement with the District Council will require that at the expiry of the three year period the equipment will be incorporated into landlord's fixtures and fittings to ensure that the Council will have the benefit of a fully fitted and operational cinema in the event of tenant failure after three years.

The provision of funding towards the cost of the proposed development has the potential to give rise to State Aid to the cinema operator. Article 53 of the General Block Exemption Regulation is therefore proposed as the mechanism for awarding aid should the scheme be approved by Members. The primary requirements of the exemption require that up to 80% of investment costs in the cinema can be funded up to a maximum of 2m Euros and that 80% of the time or space capacity of the cinema must be used for cultural purposes. The Council will also need to ensure it complies with the aid notification requirements laid down.

As the total value of the works falls below the £4.7M threshold for works contracts the works would not be subject to the Public Contracts Regulations 2015. However, a waiver to Contract Standing Orders may be required. On the basis of the cost controls proposed and approach set out within the report it is considered that the Council's Best Value duty can be met.

Consent for works is required from London Metric plus a licence for alterations and further Deed of Variation with relevant parties. Indemnity insurance will also be required to address restrictive covenants on the site and initial quotations have been received. Preliminary work has been undertaken by the Council's Legal Team and will be taken forward as proposed should the scheme be approved by Members.

Heads of Terms have been issued to the remaining Market Hall licensee for a new agreement covering the period to 30 April 2021 upon which the building would require to be vacated. The new Agreement is yet to be completed.

On the basis of the above the legal risk is considered to be medium on the basis that the appropriate requirements for authorisations and waivers are met.

7.2 Financial.

A significant capital investment from the District Council is proposed in this scheme to support the regeneration of Matlock town centre. To keep capital costs down the financial case assumes no borrowing requirement with the necessary funding allocated from reserves. Should Members approve the scheme the proposed developer / operator will be responsible for any cost overruns on the proposed development. A contingency of £48,000 (6% of costs) has been included within the approved Economic Development Reserve should unforeseen costs be identified within the wider site. The scheme has been included in the draft capital programme for consideration and approval at the Council meeting on 26 November 2020.

An incentive is proposed as payment to the remaining licensee under the new agreement by way of a rent free period / sum to support the relocation of the business. This is included in the exempt appendix to the report.

To enable input VAT to be recovered it is proposed that the Council opts to tax the area proposed for development.

Cash flow projections prepared by the Council's Commercial Advisor have been included with the Business Case detailing anticipated income from the scheme to enable the Council to recoup its investment over the longer term. Sensitivity analysis has been undertaken.

The investment has been assessed against the Council's Commercial Investment Strategy, which was approved in March 2020. It is noted that the proposals are for capital investment within an existing Council asset as opposed to a new property acquisition – however the requirement to consider the level of financial returns against capital investment results in this being a reasonable benchmark for the returns on investment. It is also noted that the scheme scores well in relation to the majority of criteria.

As the investment is to be funded from reserves, rather than by borrowing, there is no additional charge to the revenue account, as would be the case for

borrowing. This makes the scheme more affordable. The forecast Internal Rate of Return is 8.37% and the 'break even' point is estimated at year 13.

Risks, including the financial failure of the cinema and inability to attract a retail tenant to the property, have been considered. Although these risks cannot be fully mitigated, they need to be balanced with consideration of the proposed private sector investment within the proposal, track record of the proposed directors and potential significant economic benefits of the scheme.

On the basis of the above the financial risk is considered to be medium to high.

8 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors have also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

9 CONTACT INFORMATION

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Email giles.dann@derbyshiredales.gov.uk

10 ATTACHMENTS

Appendix 1-3 Site plan of the Market Hall, photographs of the existing Market Hall building and Existing floor plan

Appendix 4-5 Preliminary development proposals and Invitation for Expressions of Interest

Appendix 6 Plans and Artist's impression of scheme proposals

Appendix 7 Letter of support from Marketing Peak District & Derbyshire

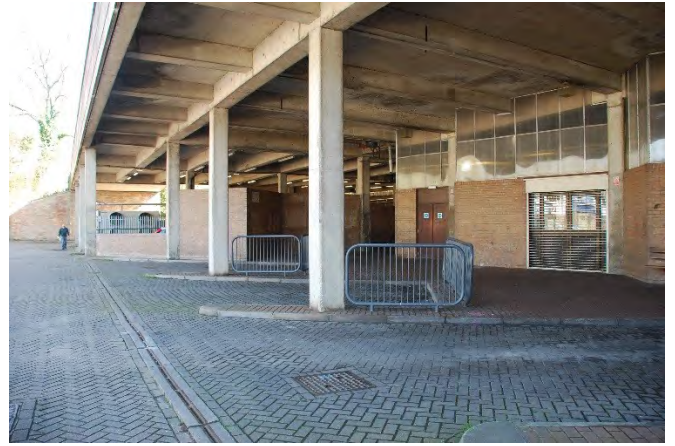
APPENDIX I – Site Location Plan



APPENDIX II – Photographs of Existing Market Hall



1. Entrance to former bus station from Bakewell Road



2.. Former bus bays



3. Former bus station – lean to roof structure



4. Bus lay over area and car park from Imperial Road



5. Entrance to market hall



6. Interior of market hall

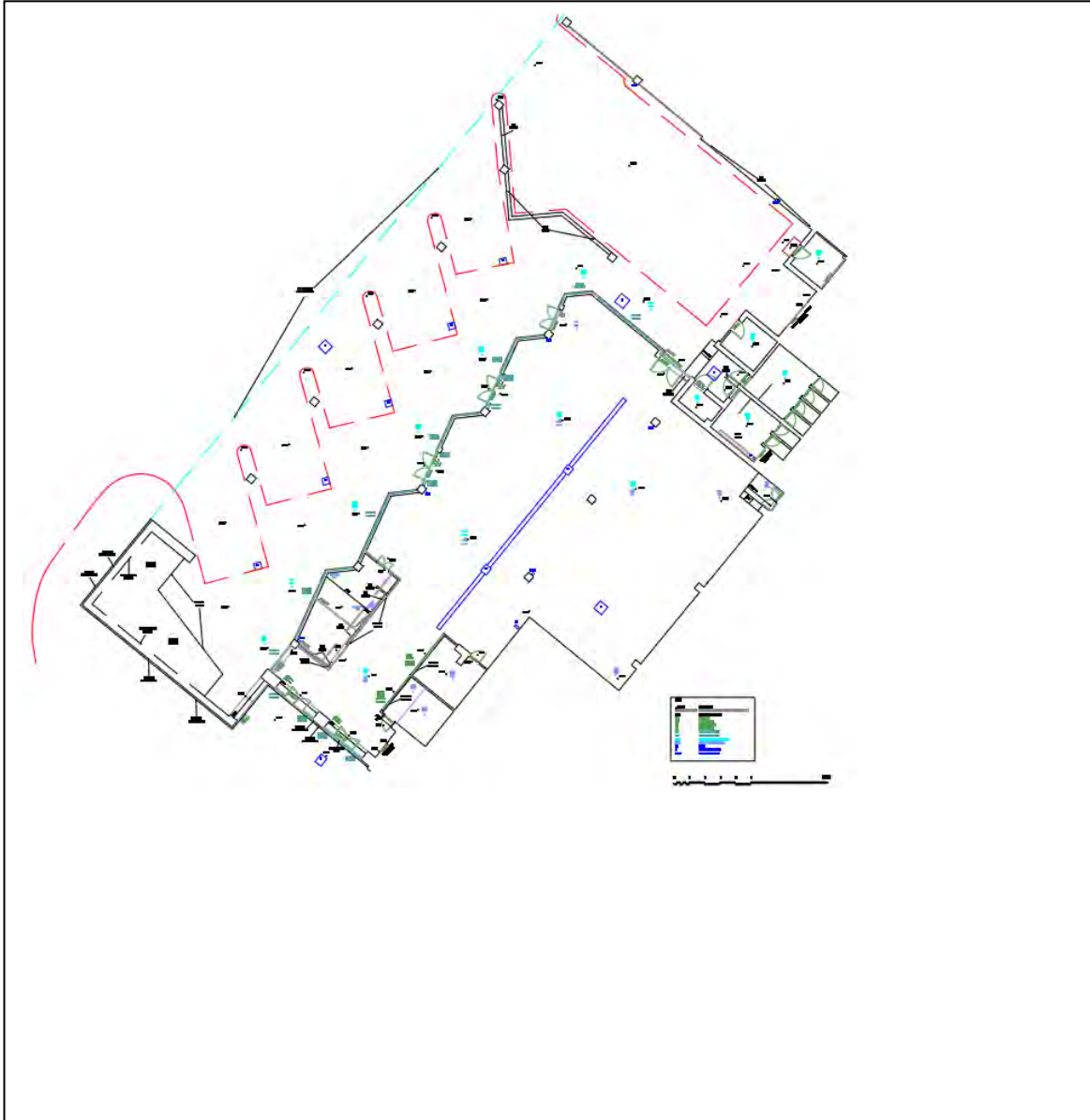


7. Interior of market hall



8. Elevation to Bakewell Road

APPENDIX III - Floor Plan of Existing Building



Bakewell Road, Matlock
 Indicative Layout - November 2019



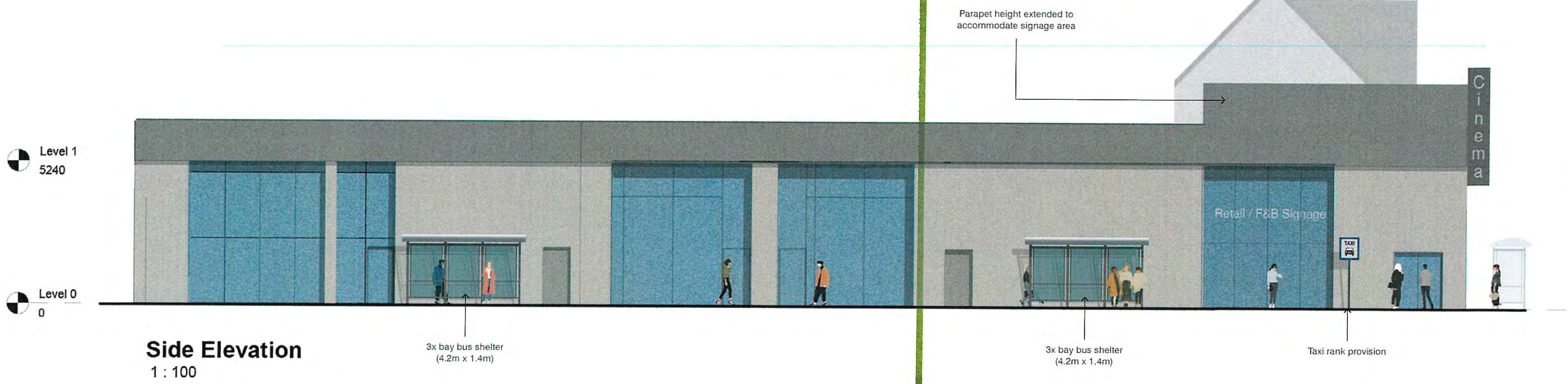
All floor areas - GIA (Gross Internal Area)

- Community / Leisure
- Retail / Workspace units
- Cinema
- Retail / Food & Beverage
 (Arrows highlighting prime frontage on Bakewell Road)

| | |
|---|--------------------------------|
| Status | Preliminary |
| Derby 12 St. Mary's Gate DE1 3JR +44 (0)1332 365 777 Nottingham Knight + Whitehall House 4 Carlon Street NG1 1NN +44 (0)115 828 0422 London 70 Cowcross Street EC1M 6EJ +44 (0)20 7490 0672 | |
| Lathams ARCHITECTURE + URBANISM <small>info@lathams.uk.com lathams.uk.com</small> <small>© Lathams Architecture + Urbanism Ltd</small> | |
| Project | Bakewell Road Mixed Use Scheme |
| Client | DDDC |
| Lathams Job Number | 7391 |
| Drawing Title | Indicative Layout |
| Drawing Number | 7391 (20)01 |
| Revision | |
| Scale @ A3 | Date |
| 1 : 200 | 26/11/19 |

© This drawing and the building works depicted are the copyright of the architect and may not be reproduced without written consent. Figures and dimensions only are to be taken from this drawing. All contractors must visit the site and be responsible for taking and checking all dimensions relative to their work. Lathams are to be advised of any variations between drawings and site conditions.

PHASE 1



| | | | | | | | | | | | | |
|---------|--------------------------------|---------------|-----------------------|--------------------|------|----------------|-------------|----------|--|---|---|---|
| Status | Preliminary | Drawing Title | Indicative Elevations | Client | DUUC | Drawing Number | 7391 (20)02 | Revision | | Destly | 12 St. Mary's Gate DE1 3JH +44 (0)1302 655 777 | Lathams ARCHITECTURE + URBANISM info@lathams.uk.com lathams.uk.com © Lathams Architecture + Urbanism Ltd |
| Project | Bakewell Road Mixed Use Scheme | Scale @ A2 | 1 : 100 | Lathams Job Number | 7391 | Date | 26/11/19 | | | 10 Cavendish Street EC1M 6LJ +44 (0)20 7400 0672 | | |
| Client | DUUC | | | | | | | | | | | |
| | | | | | | | | | | | | |

INVITATION FOR EXPRESSIONS OF INTEREST

PRIME TOWN CENTRE DEVELOPMENT OPPORTUNITY:

Bakewell Road, Matlock, DE4 3AU



-
- *Prominent town centre gateway location*
 - *Thriving market town and district centre*
 - *Main road frontage*
 - *Adjacent to M&S Foodhall*
 - *Excellent public transport connections*
-

EXPRESSIONS OF INTEREST ARE INVITED BY:

12 Noon 20 December 2019

1. THE OPPORTUNITY

- 1.1 Expressions of Interest are invited from developers and/or operators in a prime town centre development opportunity. Comprising the **ground floor market hall building (including rear service bay) and covered bus bay area on Bakewell Road, Matlock**, a range of potential uses have been identified including a cinema, retail, small managed workspace and community / performance space.
- 1.2 Located approximately 150m from Crown Square and the historic Hall Leys Park, **the site benefits from a significant main road frontage adjoining the Matlock M&S Foodhall, access to town centre car parking and excellent public transport links**, and represents a key development opportunity in support of the Council's strategic aim to enhance the western entrance to the town centre.
- 1.3 The remainder of this document sets out the District Council's ambitions for the development and how interested parties can express an interest.

2. MATLOCK

- 2.1 The largest market town in the Derbyshire Dales with a population approaching 12,500, Matlock serves a significant rural catchment extending to the outskirts of Bakewell to the north west, beyond Wirksworth to the south and edge of Belper to the south east. Just 11 miles from the M1, the town is connected to the wider area by the A6, the main tourist route through the district and Peak District National Park.
- 2.2 The River Derwent divides the town centre in two. The main shopping area lies to the north of Matlock Bridge around Crown Square fronting the A615 main through route along Bakewell Road and Causeway Lane. Frontages typically comprise traditional, smaller scale, ground floor retail units together with some larger footprints accommodating national operators. Matlock is the terminus of the East Midlands rail line north from Derby and the town's train and bus interchange is located just over the river to the south, together with a Sainsbury's store.
- 2.3 Matlock's character and appearance reflects its development as a Victorian and Edwardian spa town. The town centre is relatively compact with a predominance of (A1) retail stores comprising a mix of national operators (M&S, Specsavers, Boots, Iceland, Co-op and Wilkinsons) and smaller independents including fashion, jewellery and gifts, with a cluster of vintage and antique shops along Dale Road. The centre extends to 187 retail units with limited vacancies. Food and drink operators include Costa, Greggs, JD Wetherspoon and a number of local cafes, restaurants and bars.



- 2.4 Matlock is home to several large employers including Derbyshire County Council and Derbyshire Dales District Council, and the town is also the national headquarters of the Youth Hostels Association.
- 2.5 A tourist destination in its own right, as well as servicing outlying villages and smaller towns, Matlock attracts a significant number of day and overnight visitors. Its award winning Hall Leys Park is recognised as one of the UK's finest town centre parks and also in the heart of the town is the popular Peak Rail heritage railway. Famous attractions nearby include Chatsworth, Haddon Hall, Matlock Bath, the Heights of Abraham, Crich Tramway Museum and Derwent Valley Mills World Heritage Site. The town, featuring the iconic hilltop Riber Castle, sits on the edge of the Peak District National Park and many visitors come for the spectacular walking and cycling in the surrounding countryside. The wealth of self-catering holiday properties in the area bring visitors into the town, plus a number of hotels e.g. Premier Inn (Matlock), which is within walking distance of the Bakewell Road site. There's a modern leisure centre – Arc Leisure – and a number of local events help extend the season in Matlock and adjoining Matlock Bath. These include the eight week Matlock Bath Illuminations which attract 100,000 visitors from early

September to the end of October, and the Matlock Victorian Christmas Market which takes over Hall Leys Park in December.

- 2.6 Significant house building is also planned within the Matlock area over the next 15 years with over 1,000 new homes allocated on sites within a mile of the town centre.

3. SITE LOCATION & DESCRIPTION

- 3.1 The site is located at the western entrance to the town centre on the north side of Bakewell Road:



- 3.2 Occupying just over a third of an acre (0.15ha) the site comprises an underutilised indoor market hall, rear service bay, covered bus bays and waiting area, toilets and plant.



- 3.3 Specifically, the site comprises two main parts:

Market hall – comprising an area of approximately 469 sqm of concrete frame construction adjoining the Matlock M&S Foodhall with a ceiling height of 5.2m (structural). The flat roof structure accommodates the upper floor District Council operated car park, accessed from Imperial Road, and via stairs from Bakewell Road and lift access exiting into the inside of the M&S store.

External area – this comprises a concrete apron area of approximately 780 sqm underneath the upper floor car park divided into five individual drive in / reverse out bus bays with a covered seating / waiting area for buses and taxis. Changes in bus provision and development of the bus interchange adjacent to the train station have resulted in only two of the bays being used by bus services with a third serving as a taxi rank. The area also comprises the rear service bay to the market hall, toilets and plant.

- 3.4 Derbyshire Dales District Council owns the freehold interest and occupies the building by way of an underlease with 63 years remaining. The floor plan of the existing building is shown overleaf:



3.5 M&S and Boyes deliveries are via a dedicated loading bay located to the rear of the market hall service bay with access off Imperial Road. In addition to providing access for deliveries, the access through the site also provides a route for buses from Imperial Road onto Bakewell Road with an area provided for bus layover space (between service runs) and designated taxi rank.

4. DEVELOPMENT BRIEF

4.1 Introduction:

Derbyshire Dales District Council wish to pursue the development opportunity with a third party, enhancing the entrance to the town centre and encouraging new uses to this part of the town.

A vibrant and convenient shopping destination with a wide catchment area, the town's retail offer is underpinned by an **M&S Foodhall** adjoining the site attracting increased footfall to this part of the town centre.

The Bakewell Road site benefits from **direct access to bus services within the immediate vicinity, roof top car parking and access to other town centre car parks** close by.

4.2 District Council Objectives & Approach:

The District Council wishes to bring forward a scheme which will meet the following key objectives:

- i. Create a new, improved gateway into Matlock town centre with high quality design and enhanced public realm within and around the site;
- ii. Contribute to town centre footfall and dwell time and support the town's evening economy;
- iii. Complement and add to other town centre uses to support the vitality of Matlock;
- iv. Meet demand for retail, leisure, workspace and community / performance space within Matlock;
- v. Retain access to existing bus service and taxi provision.

The incorporation of energy efficiency measures (as far as possible) will also be encouraged and measures to support flood mitigation in this part of the town centre.

The District Council wishes to enter into a Development Agreement for the disposal of the site which will secure its development in accordance with an agreed scheme. **The preferred option is for proposals to address the whole of the site – although proposals in relation to part only will also be considered.** In the latter scenario the District Council would look to secure complementary uses which may then facilitate a multi-let development.

The District Council is prepared to consider entering into an appropriate lease for all or part of the site at market rental value. Consideration may be given by the Council to

contributing to the capital costs of the scheme if deemed necessary to support scheme viability by way of an appropriate rental incentive. The term of the lease may also be considered by negotiation.

Any agreement will be linked to a specific timetable for delivery to ensure development is taken forward.

4.3 Planning:

Planning consent will be required to develop the site. The relevant planning policies for the determination of any planning application are set out in the Adopted **Derbyshire Dales Local Plan 2017**. Key policies include:

- Policy EC6 which seeks to maintain, and where possible, enhance the vitality and viability of the town centre. This will be achieved by supporting proposals for retail, leisure and other commercial development of a scale and type appropriate to the role and function of the town centre and requiring active ground floor frontages to be maintained with appropriate town centre uses.
- Policy S7 supports the redevelopment of land between Bakewell Road and Imperial Road for a mixed use regeneration scheme.
- Policy HC19 seeks to ensure that any new development is accessible by a range of transport options.

A more detailed Planning Statement is attached at **APPENDIX 1**.

4.4 Market Testing:

The District Council has worked with Matlock Community Vision (MCV) to consider potential uses for the site and commissioned a soft market testing exercise which included contacting property agents to obtain views in relation to demand for alternative uses. Key outcomes from this work are as follows:

- the **potential to attract a cinema into Matlock town centre**;
- soft market testing to consider demand for **food and beverage uses** – within the context of potential significant footfall generated by an adjoining cinema operation – has identified various parties who would potentially be interested on the basis that a cinema operator was secured on the site;
- MCV previously engaged Aspinall Verdi to assess potential demand. Their report identified demand within the Matlock area for a range of uses including:
 - **Small managed workspace suites**;
 - **Small scale retail units**;

- **Performance / meeting space.**

Proposals which enable delivery of these uses are sought.

4.5 Potential Layout:

Preliminary layouts and elevations of potential uses have been prepared and are attached at **APPENDIX 2**.

The layout is not intended to be prescriptive and should only be considered as a demonstration as to how alternative uses may be accommodated within the existing structure and to consider the potential enclosure of the existing bus bay area to maximise the capacity of the building.

It should be noted that the indicative layout plan and elevations have not been formally consulted upon with planning officers and should not be considered as being acceptable to Derbyshire Dales District Council in its capacity as the Local Planning Authority.

The indicative layout provides for the following:

- i. Cinema
- ii. Enclosure of the bus bays to create new floorspace which could be utilised for a variety of uses. The layout indicates the creation of a new retail unit – potentially for hot food/restaurant use at the corner of the building with frontage to Bakewell Road together with retail units / workspace / community space behind this area.
- iii. Preliminary elevations demonstrate how the existing structure may be treated to create frontages both to Bakewell Road and the side elevation of the building.
- iv. The indicative layout demonstrates how the existing requirements to retain a fire escape to the rear of the adjoining M&S Foodhall may be accommodated within any development scheme.
- v. The layout plan also takes account of the need to accommodate bus services in this location. Arrangements are indicative only and other solutions may be feasible subject to further consultation.

4.6 Key Information:

A **measured survey of the building** indicating key heights, levels and column positions is available on request.

The site is connected to all mains services and drainage.

There are two existing occupiers of the market hall on short term agreements and consultations will also require to be undertaken with other third parties in relation to proposals for the site, including in relation to existing utility supplies.

Under the Council's existing underlease of the property, there is a size limit on any new retail units on the site of 279 sqm. (3,000 sq.ft.) for general retail use and 92.9 sqm. (1,000 sq.ft.) for use for the sale of food.

Within any proposed development a fire escape is required to be retained to the rear of the adjoining M&S Foodhall as well as 24/7 access for M&S / Boyes deliveries during the course of any construction works and future use of the site.

A through route for buses and taxis from Imperial Road onto Bakewell Road must also be retained. As development is likely to involve part of the site currently used as bus bays, appropriate alternative measures will need to be agreed with Derbyshire County Council as the Public Transport Authority.

4.7 Viewing:

Interested parties are advised to contact the District Council's Estates Team: estates@derbyshiredales.gov.uk should they wish to inspect the building.

5. EXPRESSIONS OF INTEREST PROCEDURE

5.1 Stage 1 Process:

Formal market interest in the site is being invited with the backing of the District Council's Commercial Board.

The purpose of the Stage 1 process is to engage the market to establish the level of interest in the site and type of development envisaged.

Expressions of Interest are invited from developers and/or occupiers interested in the development opportunities offered.

The District Council is not inviting detailed bids at this stage. The Council will consider Expressions of Interest received and, subject to the outcome of Stage 1, invite shortlisted parties to prepare detailed proposals for consideration and assessment in the New Year.

5.2 Stage 1 Procedure:

Expressions of Interest must be submitted in writing on the 'Expression of Interest' form attached at **APPENDIX 3**. All sections of the form should be completed. **The closing date is 12 noon on 20 December 2019.**

You should cut out and affix the address label at the end of this document to your own envelope prior to posting or delivering by hand.

The District Council is not bound to accept any Expression of Interest submitted. The Council reserves the right to shortlist submitted Expressions of Interest prior to inviting detailed proposals at Stage 2.

Expressions of Interest will be shortlisted according to:

- Relevance to Development Brief
- Experience / track record of interested parties
- Potential for early development

6. IMPORTANT NOTICE

Expressions of Interest may be subject to further negotiations and the District Council may decide not to pursue negotiations in relation to all or any of the proposals which it may receive or may decide to invite other proposals.

The District Council will not be liable for any inaccuracy in these particulars nor for any costs, fees and expenses incurred in viewing the site, in preparing and submitting proposals or in undertaking any negotiations with the Council.

None of the matters in these particulars, or in any proposals which may be made, will constitute an agreement or collateral contract with the Council.

7. CONTACT / FURTHER INFORMATION

For further information regarding this opportunity please contact:

Chris Thomas

Director

Thomas Lister Ltd.

chris.thomas@thomaslister.com

Tel: 01527 871640

Giles Dann

Economic Development Manager

Derbyshire Dales District Council

bakewellroad@derbyshiredales.gov.uk

Tel: 01629 761211

TERMS & CONDITIONS:

1. No Expression of Interest will be considered unless contained in an envelope addressed to Legal Services as detailed in the 'Expression of Interest Procedure', which shall be securely sealed.
2. Expressions of Interest shall arrive no later than noon on the Expression of Interest closing date and until the time appointed for opening shall remain in the custody of the Legal Services Team.
3. No responsibility will be accepted by Derbyshire Dales District Council ("the Council") or its agents for any expenses incurred in submitting an Expression of Interest.
4. The Council does not bind itself to accept all or any Expressions of Interest and reserves the right to negotiate with any party that expresses an interest, including late Expressions of Interest.
5. The Council accepts no responsibility for any injuries sustained in inspecting the Bakewell Road site / building.

Please use this envelope label to submit your Expression of Interest:

**EXPRESSION OF INTEREST IN
BAKEWELL ROAD SITE, MATLOCK**

Derbyshire Dales District Council
Legal Services
Town Hall
Bank Road
Matlock
Derbyshire
DE4 3NN

12/11/2020

To whom it may concern

Please find below a letter in support of Derbyshire Dales District Council's business case for the proposed conversion of Matlock Market Hall, Bakewell Road, Matlock.

Prior to the Covid-19 epidemic; the Peak District & Derbyshire generated £2.3 billion of visitor spend, welcomed over 42 million visitors per year and employed over 30,000 FTE people in tourism jobs. Consequently, tourism in the area is very important.

Marketing Peak District & Derbyshire act as the area's official tourism board and as such has the key responsibility for the strategic development of the region's visitor economy. We work very closely with several key partners including VisitEngland/VisitBritain, our National strategic partner.

Our brief is to increase the contribution that the visitor economy makes to the regional economy by contributing GVA and improving the skills, quality and competitiveness of tourism businesses.

I am writing to express our support of Derbyshire Dales District Council's business case for the proposed conversion of Matlock Market Hall.

The proposed scheme comprises conversion of the unattractive, underutilised Market Hall to enable provision of a new indoor leisure attraction for Matlock – two screen cinema – and enclosure of part of the covered bus bay area (retaining 2 bays for bus use) to provide an ancillary commercial use – retail / food & beverage unit – to support project viability.

The objectives of the scheme are as follows:

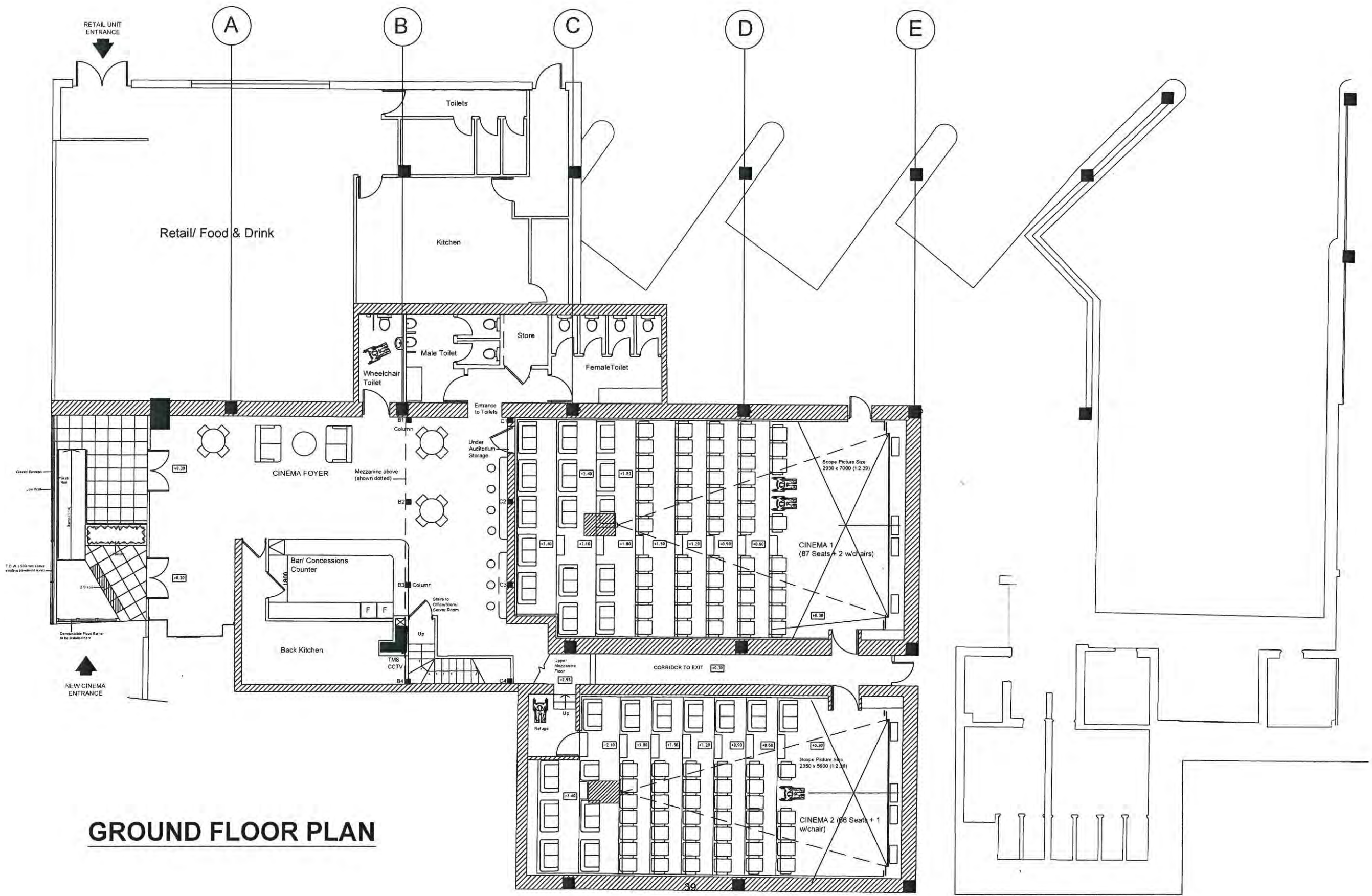
- Re-use of the Market Hall and surrounds, bringing 698 sq. m / 7,513 sq. ft of underutilised floorspace into economic use by the end of 2021
- Creation of a new improved gateway into Matlock town centre by the end of 2021
- Support the visitor and evening economies through enabling provision of an all-year indoor leisure/visitor attraction by the end of 2021, diversifying the town centre offer
- Support the vitality and viability of Matlock town centre as a retail and leisure destination through increasing footfall by 37,700 p.a. by 2023
- Support economic recovery post COVID in the short to medium term
- Secure an area within the site suited to future community uses

We welcome and support proposals such as this which will not only benefit the community and town of Matlock, but also improve the wider Peak District and Derbyshire visitor economy offer. This project, if approved, will have a positive effect on the sector as it recovers from the impacts of Covid-19.

Yours sincerely



Jo Dilley
Managing Director
Marketing Peak District & Derbyshire



GROUND FLOOR PLAN



32" (d)