

Derby Regeneration Fund

Fund Management, Options Assessment and Project Appraisal

Client: Derby City Council (DCC)

Status: Ongoing and funding available

Project Value: Initially a £10 million investment fund, increased by £7.5 million



Friar Gate Square

Project Description:

- DCC established the fund to stimulate stalled private sector commercial development in the City Centre.
- The City Centre was suffering from no new office stock being constructed in the last 20 years and an overabundance of poor quality secondary space.
- Funding secured by the Council through prudential borrowing and DCC capital resource.
- The Fund operates on a wholly recoverable basis with repayments recycled into other key projects within the City.
- Operation, investment and governance of the fund requires to be compliant with best practice, regulations and legislation, including procurement and state aid.
- One of the first Local Authorities in the Country to set up a fund based on prudential borrowing, which has attracted national recognition.
- A further £6.5 million loan fund established to support "City Living" and particularly reuse of vacant office accommodation.

Description Of Services Provided:

- Advice on setting up the fund, implementation and process for appraising applications received, including City Living Fund which was launched in November 2014.
- Mechanism established to provide a programme of projects and for a highly efficient appraisal and approval process.
- Identification of wide range of investment and delivery mechanisms to overcome barriers to delivery, including loan, joint ventures/equity, sale and leaseback.

Successes Include:

- Friar Gate Square – Grade A speculative office of 33,200 sq.ft. scheme completed in 2013 and now sold to University of Derby.
- Innovative financial mechanism in place with Webhelp to facilitate occupation of redundant offices, creating 1,100 new jobs.
- Refurbishment of the former Magistrates Court removing a long term prominent eyesore, to provide a new managed workspace scheme in the heart of the City centre.
- Two loans recently completed for City Living Fund.