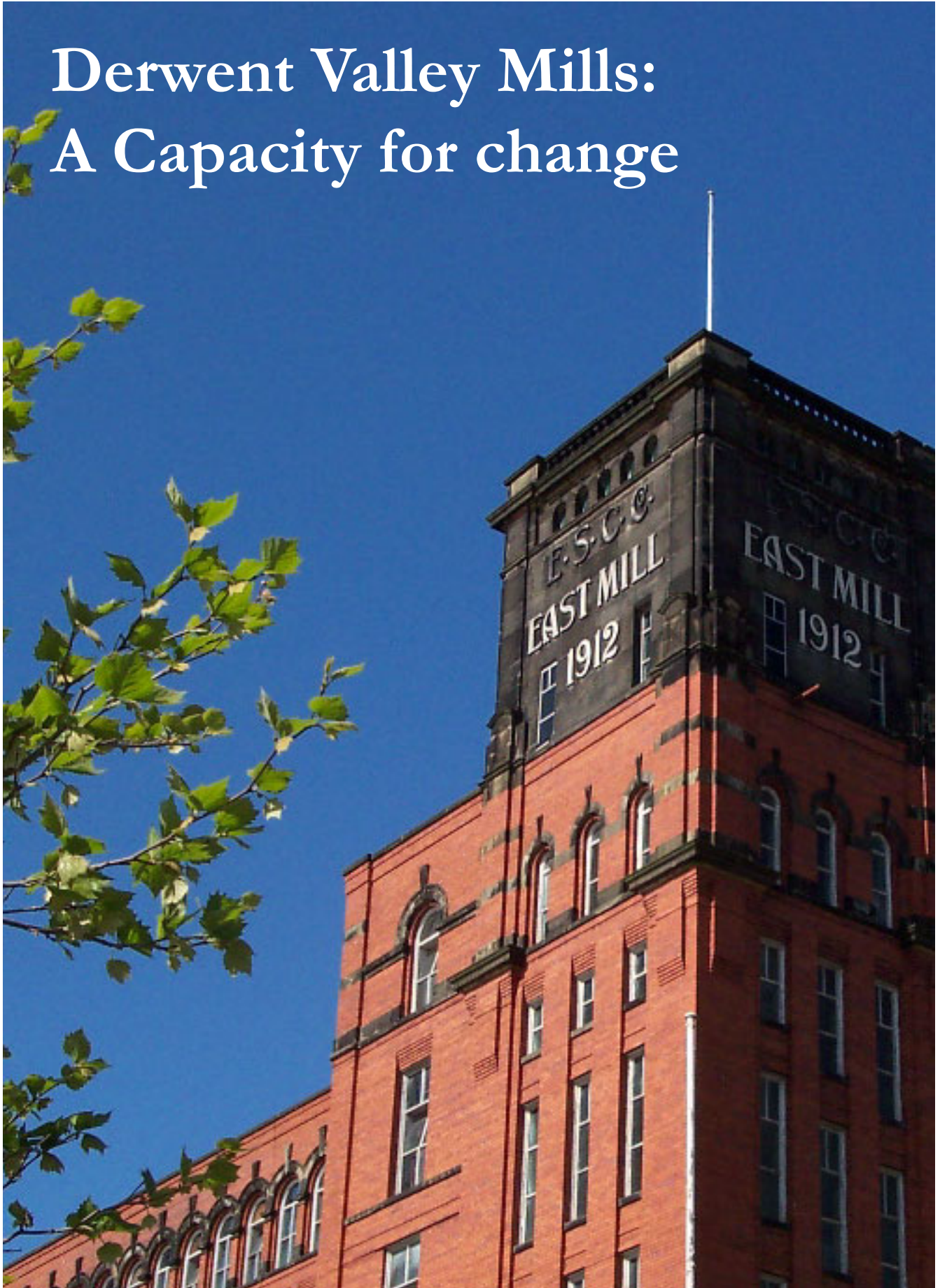


# Derwent Valley Mills: A Capacity for change



## 6. PHASED DEVELOPMENT OF THE DERWENT VALLEY WHS WITH ESTIMATED COSTS AND OUTPUTS

On the assumption that the range of potential projects suggested in Section 5 are brought forward, Section 6 groups the projects in three time periods according to when they might start. The tables below summarise the consultants' views on which organisation(s) are best placed to take the lead and which organisations might be potential partners or funders. The inclusion of an organisation does not imply that they are necessarily supportive of the project at this stage. The table also provides the consultants' broad estimate of possible costs, target outputs and priority, to enable the likely overall costs and benefits of the economic development plan as a whole to be assessed. The cost and output figures are intended to be indicative at this stage; more precise figures will not be available until more detailed feasibility studies have been carried out.

### 6.1 Phase 1: 2006-7 Short term developments initiated in the period

Objective	Possible project	Potential lead partner	Potential partners and funders	Approx Cost*	Estimated Outputs	Priority
<b>1. Economic</b>	Establishment of WHS as a niche Growth Corridor	Economic Dev. Champion	WHS Economic Dev. Panel	Minimal	Enabling	High
	Attracting businesses to locate in the Valley	Derbyshire CC Derby CC	EMDA	£30,000p/a	3-4 firms 30-40 jobs/yr	High
	Business Incubator Feasibility study	BI Steering group	Owner, Derbyshire CC, Bus Link, Amber Valley BC	£40,000	Detailed proposal	High
	Business incubation and business support	Business Link		£30,000p/a	5 new firms 3 expansions 20 jobs/year	Med
<b>2. Marketing</b>	Research and develop the brand	Economic Dev. Panel	DDEP	Yr 1 £30,000 Yr 2 £15,000	Input to marketing	High
	Destination Marketing Plan	Economic Dev. Panel	DDEP	£25,000	Input to marketing campaign	High
<b>3. Tourism</b>	Tourism Interpretation Plan	Technical Panel	Private sector, Arkwright Soc, Derby CC	£50,000	Enabling strategy	High
	Visitor research project	DMP	East Midlands Tourism	£25,000p/a	Enabling	High
	Sector skills survey	DMP	WHS partners	£10,000	Enabling	Medium
	3 year sector skills training programme	DMP	WHS partners + LSC	£50,000	50 courses/ 500 people	Medium
	Masson Mill: enhancement of interpretation	Owner	HLF	£50,000	More visitors	Medium

<b>4. Spatial</b>	<b>Silk Mill:</b> feasibility study & development appraisal	Derby CC		£50,000	Enabling	High
	<b>Milford Mill:</b> business space	Owner	Amber Valley BC	No public sector cost	Space for small businesses	Medium
	<b>Darley Abbey</b> Site wide masterplan and conservation plan	Owners	Derby CC, HLF and EH	£80,000	Enabling	High
	Pedestrian and vehicle access feasibility study	Owners	Derby City, HLF/THI	£50,000	Enabling	High
	<b>Belper:</b> East Mill roof repairs	Owner		£150-250k	Emergency	High
	East Mill atrium feasibility	Owner	EMDA	£100k	Enabling	High
	North Mill new roof	Owner	EH and HLF	£200k	Enabling	High
	North Mill masterplan and feasibility study	Owner	EMDA	£100k	Enabling	High
	Round mill/Sara Lee site development brief and masterplan	Amber Valley BC with the landowner	DDEP	£70k	Enables reuse of 3.7 acres For 150 - 200,000 sq ft of space and 1,000 people	High
	Bridge Street public realm strategy & implementation	Amber Valley BC	Derbyshire CC and HLF	£0.5m	Increased rents 100 new retail jobs + safeguarded jobs	High
	<b>Arkwright Cluster:</b> B 17 business space (2006/7 project)	Arkwright Soc.	DDEP and Derbyshire CC	£1.8m	15,000 sq ft 20-30 firms 75 people	High
	Manned car parking	Derby CC	Arkwright Soc	-	Generating around £60-80k per year margin	High
Two bridges and footpath Masson to Cromford	Derby CC	Arkwright Soc, Masson Mill and Willersley Castle HLF	£2m	Increased visitor numbers	High	
<b>5 Transport</b>	Cycleway feasibility	Development Director	Derbyshire CC and Derby CC	£10,000	Enabling	High
	Application for TIF	Derbyshire CC		£15,000 £150,000	Enabling Development	High
	Dual track from Ambergate: feasibility study	Derbyshire CC	Network Rail	£50,000	Enabling	Medium
	Through services from Nottingham	Derbyshire CC and Derby CC	Franchise operator and Network Rail	£15,000	Enabling	Medium
	Feasibility study for new stations	Derbyshire CC and Derby CC	Network Rail	£25,000	Enabling	Medium
	Feasibility study for station refurbishment at Cromford, Belper and Duffield	Derbyshire CC	Network Rail	£25,000	Enabling	Medium
	Feasibility of rail ticketing to WHS	Development Director	Franchise operators	£15,000	Enabling	High
<b>6. Delivery capacity</b>	Support for WHS Co-ordinator post	WHS Partnership	All parties	£80,000p/a	Implement Management Plan	High
	Development Director	WHS Partnership	All parties	£80,000p/a	Implement Economic Plan	High
	Establishment of Economic Development Panel and Champion	WHS Partnership	All parties	£5,000p/a	Direct Economic plan	High

\* All costs are broad estimates for guidance. More detailed feasibility studies will be required to prepare detailed estimates and the balance between the public and private sectors.

The main focus in the initial phase will be to secure funding to strengthen the delivery capacity of the WHS and commission the various site related masterplans, feasibility

studies and development briefs to secure the funds necessary for a range of capital projects to address a mix of economic, tourism and heritage objectives.

## 6.2 Phase 2: 2008-10: Medium term developments initiated in the period

Objective	Possible project	Potential lead partner	Potential partners and funders	Approx Cost*	Estimated Outputs	Priority
<b>1. Economic</b>	Business Incubator in Belper East Mill (see below)	BI Steering Group	Owner, Derbyshire CC, Bus Link, Amber Valley BC	See below	30k sq ft space 40 new firms 100 jobs	High
<b>2. Marketing</b>	WHS Marketing Campaign	Dev Director	DMP	£50,000p/a	More visitors	High
	Valley newspaper/ association	Dev Director	DMP, Derbyshire CC and Derby CC	£10,000	Greater commitment to WHS locally	Med
	1/2 marathon	Dev Director	Derbyshire CC and Derby CC	£10,000	Visibility	Low
<b>3. Tourism</b>	Tourism Training	Dev Director	Partners	£50,000p/a	More visitors	High
	Interpretation Framework	Dev Director	Partners	Included in spatial estimates	200,000 additional visits by 2015	High
	Mobile Interpretation	Dev Director	Partners	£50,000	Improved product, more visitors	High

<b>4. Spatial</b>	<b>Silk Mill:</b> Provision of commercial space	Derby CC	EMDA/DDEP	£0.75m	12k sq ft space 10 firms 100 jobs	High
	Cultural space + Interpretative	Derby CC	HLF, EH and EMDA	£7.2m	24k sq ft of space	High
	Public realm inc bridge	Derby CC	On going with Cityscape	£3m	Improved access to river and Mill	Medium
	<b>Darley Abbey:</b> Cuts, races and turbines	Owners	Derby CC, Seven Trent Water, EH and HLF	£750,000	Enhanced tourist attraction	Medium
	Pedestrian and vehicle access	Owners	Derby CC, with HLF/THI	£1.5m	Support business location	High
	New off site car parking	Owners	Derby CC and Rugby Club	£500,000	Heritage, tourism and business benefits	Medium
	Refurbishment of 63k sq ft of existing mill space for commercial uses	Owners	Derby CC, DDEP, HLF and EH	£5m	62k sq ft office space 20-40 firms 350 people	Medium/ high
	Refurbishment of 37k sq ft of existing mill space for residential uses	Owners		£7.4m	37k sq ft 60 apartments	Medium/ high
	2 storey housing on east and NE of site	Owners		£4.8m	24k sq ft 35 residential units	Medium
	<b>Little Eaton:</b> Masterplan for Park and Ride station and site development	Land owner	Erewash BC, Railtrack and Derbyshire CC	£80,000	Development land, space and jobs	Medium
	<b>Belper:</b> East Mill new roof+ penthouse	Owner	EMDA/DDEP HLF and EH	£5-10m	15k sq ft restaurant and flats	Medium
	East Mill atrium	Owner	EMDA/DDEP HLF and EH	£5m		Medium
	East Mill 4 floors of residential	Owner	Almost self funding, selling at £125,000 per flat	£3m per floor = £12m	25 apartments per floor = 100 apartments	Medium
	East Mill 3 floors for Incubation and grow on space	Owner	EMDA/DDEP	£0.85m per floor = £2.55m	45,000 sq ft 60-80 firms 250 people	Medium
	North Mill visitor centre & commercial space	Owner	EMDA	£2.5m	22,000 sq ft 10-12 firms 120 people	High
	Station & Belper Gateway Development brief	Amber Valley BC	Midland Mainline, Network Rail and land owners	Brief £50k Build £7.5m	2,800 sq ft retail 5,600 sq ft office 47 jobs	High
	<b>Arkwright Cluster:</b> B18 Cultural space	Arkwright Soc	EMDA, Derbyshire CC HLF and EH	£5m	3,000 sq ft shell for Interpretive Centre	High

• All costs are broad estimates for guidance. More detailed feasibility studies will be required to prepare detailed estimates and the balance between the public and private sectors.

The main focus of the second phase of development covering the period 2008 to 2011 will be the implementation of major capital projects at the Silk Mill, Darley Abbey, Belper and the Arkwright Cluster resulting in the phased development or refurbishment of around 220,000 sq ft

of incubation, grow on and commercial space, which is likely to extend into the third phase, as well as significant improvement in the interpretation of the WHS in the Silk Mill, the Arkwright Cluster and at Belper Mills.

### 6.3 Phase 3 2011-15 Long term developments (including projects which were initiated in Phase 2)

Objective	Possible project	Potential lead partner	Potential partners and funders	Approx Cost*	Estimated Outputs	Priority
4. Spatial	Silk Mill: Pier and river bus	Derby CC		£5m	Additional tourists	Medium
	Little Eaton Park and Ride station and site development	Land owner	Erewash BC, Railtrack and Derbyshire CC	Not known	Development land, space and jobs	Medium
	Belper: land to West of Bridge St, area action plan	Amber Valley BC	Landowners and DDEP	£100k	Potential for 370k sq ft mixed use inc 80,000 sq ft of commercial for 16 firms and 300 people	High
	Ambergate: site masterplan for canal extension, marina, technology park and residential space	Transco	Amber Valley BC and Derbyshire CC	£80,000	Potential for residential and technology park around canal basin	Low
	Arkwright Cluster: Wharf and Building I	Arkwright Soc.	Same	£2.55	8,500 sq ft, 12 firms and 70 jobs	Low
5. Transport	Feasibility of demand management	Development Director	Derbyshire CC	£25,000	Enabling	Medium

\* All costs are broad estimates for guidance. More detailed feasibility studies will be required to prepare detailed estimates and the balance between the public and private sectors.

### 6.4 Impact of the Economic Development Plan

#### Tourism

The ten year heritage and tourism programme envisages a total capital expenditure of around £31m and a revenue expenditure of around £1.45m. On the basis of a more effective branding and marketing strategies and the strengthening of the interpretation of the WHS, we believe that, over a ten year period, it would be reasonable for visitor numbers to the main WHS attractions to increase by around 200,000 per year, split between the Derby Industrial Museum (50%), the Arkwright Cluster (40%) and the visitor centre at Belper North Mill (10%). These estimates are based on very limited reliable data on actual visit and visitor numbers, and will need to be confirmed through the visitor research project.

On the basis of this conservative increase in visitor numbers, and assuming that the ratio of day visitors were to decrease from 90% currently to say 70%, this would result in an increased spend in the valley of around £10m per year. This estimate is based on an average spend of around £10 per head for day visitors, £70 per night for an average of 1.5 days for overnight visitors. These figures have been increased by 1.3 times to take account of multiplier effects. Based on impact studies elsewhere in the country, an increase in turnover of around £10m will result in around 300 extra jobs being created in the local economy.

#### Economy

The economic component of the programme envisages an overall capital expenditure on the main facilities in the valley of around £55m over a ten year period, creating around 220,000 sq ft of employment space and around 200 residential units. It is estimated that the potential market value of the employment space would rise to around £22m (on the basis that the higher quality facilities would result in higher rents of around £8-10 per sq ft). We estimate that similarly the residential units would have a potential market value of £27m. This is based on average sale price of around £135,000 per unit (equivalent to around £220 per sq ft). A contribution from the public sector will be required to kick start the refurbishment of commercial space and address the significant difference which currently exists between cost and value at present.

It is estimated that the revenue costs of the economic development programme will be around £165,000 per year in the first two years rising to around £225,000 per year thereafter. These costs include the essential staff costs of energising and facilitating the programme, marketing costs to attract firms to locate in the WHS, and business support and training related costs to increase the birth rate and sustainability of new firms in the area.

Taking the capital and revenue programmes together, it is estimated that, over a ten year period, this will result in an additional 360 businesses employing around 1,700 people being located in the WHS (a growth in employment of around 5%), as a result of new firm formation and the attraction of firms to the WHS. This would make a significant contribution towards stabilising overall employment in the WHS as well as building up sectors with above average growth potential and GVA per head. To put this target in context, in the period between 1998 and 2003, there was a net loss of 1,315 jobs in the WHS (made up of 3,000 jobs losses in the manufacturing sector, offset by job gains of 1,685 in the service sectors).

### Conclusion

The success of the Economic Development Plan will depend on adopting a holistic view to bring together the heritage and conservation strategies with parallel actions to promote tourism, and attract entrepreneurs and established businesses to the Valley. There is evidence that the delivery of key elements of the masterplan have already started. Work is underway to appraise how the assets of the Silk Mill can best be deployed. There is a real possibility that some of the public realm elements around the Silk Mill will be taken forward by Cityscape. In Belper, the new owner of the mill has commissioned work to look at how the mill buildings can best be refurbished. In Cromford, the plans are well advanced for the refurbishment of Building 17 for employment uses. Prospects are good for taking forward the tourism agenda with the appointment of the Chief Executive of the Destination Management Partnership. Though promising, implementation will depend on strengthening the delivery capacity of the Partnership with the appointment of a WHS Co-ordinator supported by a Director of Development to drive the economic development programme and secure the commitment of partners to the aspirations, strategies and potential projects set out in this Plan.