



WNDC Board Report

Report by Director of Regeneration and Development

Paper Reference: 2011-03-07-01

Agenda Item: 7

5 July 2011

Subject: Northampton Town Centre Programme

Advice: That the Board:

1. **Note** the progress that is being made with regard to the five projects;
2. **Authorise** the Director of Regeneration and Development to submit a planning application for the proposed Innovation Centre at Green Street, Northampton

Summary:

- Progress has been made on all of the projects within the programme
- Work on the design of the proposed new Innovation Centre has progressed well and a planning application will be prepared for submission in late summer.
- A planning application for a new road and access to the Avon Nunn Mills site has been submitted and the Collaboration Agreement with the landowners will allow the Compulsory Purchase of land in unknown ownership to be made in July/August.

1. Background

- 1.1 The foundations for the delivery of the five key projects in Northampton will, in large part, be laid during the period 2011-2014. The completion of the projects will not be secured during WNDC's lifetime, but we are aiming to ensure all five are irrevocably committed by March 2014.
- 1.2 Work with partners during the first Quarter of this financial year has progressed through monthly town centre operational group meetings and 6 weekly strategic group meetings. This work is critical in finalising and securing agreement on the programme of delivery for the next three years and beyond. The Borough Council and the County Council have agreed to report the programme to their respective Cabinets for approval in the coming months.
- 1.3 This report sets out the key issues relating to the delivery of each project and provides a progress report on the work that needs to be undertaken in order to secure delivery.

2. Key Projects

- 2.1 WNDC has a clear mandate to focus on the transformation of Northampton town centre and the delivery of five key projects:
 - Grosvenor / Greyfriars
 - Castle Station
 - Avon Nunn Mills
 - Waterside
 - St Johns / Project Angel
- 2.2 It is generally agreed that for Northampton to deliver its true economic regeneration potential all five projects need to be progressed and delivered in parallel. Programme milestones and a high level programme of delivery have been established to help achieve this.
- 2.3 It will be important to finalise and agree the programme so that investment decisions can be taken and approved by CLG.

2.4 Sections 3 to 7 of the report summarises key progress made and issues and risks associated with achieving progress in line with the overall programme milestones.

3. Grosvenor / Greyfriars

- 3.1 Previous reports have highlighted the importance of viability as a key issue to be addressed. WNDC is securing specialist retail advice to interrogate the project's viability appraisal and this should be in place in early July. It is expected that this advice will confirm that the extension and refurbishment of the Grosvenor Centre is viable and will help WNDC assess the risks to the delivery of the project.
- 3.2 The provision of new bus facilities to replace Greyfriars Bus Station is the other key issue to be addressed. An option assessment for a preferred location of the new bus interchange has been undertaken by the County Council and Borough Council and the bus operating companies have been engaged in this assessment. Further work will be required to consider in more detail the practicalities of the preferred option as well as the costs associated with its delivery.
- 3.3 Securing a total funding package for replacement bus facilities presents a significant challenge to delivery of the scheme overall. In addition, the issue of ownership, management and maintenance of the new facility must be considered and resolved by the Borough Council and the preferred option must be accepted by the bus operators.
- 3.4 As part of their agreement with Legal & General, the Borough Council is required to secure funds to buy-out their lease with Stagecoach. They have approached WNDC for funding. Negotiations between NBC and Stagecoach are progressing and WNDC will need to be satisfied that the valuations are reasonable and appropriate.
- 3.5 In order to commit to such significant investments WNDC will require a high level of confidence on viability, value for money and that Legal & General will commit to delivery of the overall scheme.
- 3.6 There remains a great deal of detailed work to be undertaken, particularly in regard to reviewing cost assumptions and practicalities of the proposed new bus facility. Negotiation of a funding agreement with NBC/L&G is likely to take time.

4. Castle Station

- 4.1 The station design has received planning 'Prior Approval' from Northampton Borough Council with a set of 'conditions' relating to archaeological works and approval of design materials attached.
- 4.2 GRIP Stage 4 is now complete subject to a Network Rail Stage Gate Review in the next 2 weeks.
- 4.3 The critical issue for the project is securing the funding to deliver the station. High level stakeholder engagement through meetings with government ministers, departments and Network Rail has continued.
- 4.4 WNDC submitted a 2nd round Regional Growth Fund (RGF) bid on the 1st July. The bid is for the station only linking it to the wider Waterside regeneration programme. Solum Regeneration, a joint venture between Network Rail and Keir Property, have agreed to join the bid as private sector partner and meetings have been held with Network Rail and Kier Property regarding potential commercial opportunities for the wider station redevelopment including car park.
- 4.5 It should be noted that competition for Regional Growth Funding is again expected to be strong and that other parts of England have a 'better fit' with the selection criteria. However, the case for investment in the Station as part of a wider regeneration strategy for Northampton town centre is a strong one.

5. Avon Nunn Mills

- 5.1 The Avon, Nunn Mills and Ransome Road sites have been a priority for WNDC, the Homes and Communities Agency and the Borough Council for some time. As well as being large brownfield sites they present significant potential for commercial and residential development on a riverfront location. Key issues to address are site access and infrastructure, land in unknown ownership, the disused rail line, viability and ensuring collaborative working between the various landowners.

London Road/Ransome Road Junction Improvements

- 5.2 Work is now well underway with regard to the London Road / Ransome Road junction improvement. The diversion of utilities is now complete and the improvement work is due to start in earnest over the next few weeks. The works are scheduled to be

complete in December 2011. This will allow site remediation and then development to progress on the Ransome Road site. The S106 agreement for the Ransome Road planning application is currently being refined.

Nunn Mills Road Spine Road

- 5.3 The planning application for the Nunn Mills Spine Road was submitted on 4th June 2011. The design of the new road has involved discussions and design workshops with the land owners and the Borough and County Councils. The new road will provide access for development on the Nunn Mills, Avon and Ransome Road sites. The planning application for the new road is expected to be considered by the Northampton Area Planning Committee on the 9 September 2011.

Collaboration Agreement

- 5.4 The Collaboration and Indemnity Agreements that will allow the Compulsory Purchase (CPO) of land in unknown ownership are close to being finalised. These are now anticipated to be complete in early July. The Collaboration Agreement and the planning application for the new road are essential in order to progress the Compulsory Purchase of the land in unknown ownership. Once the Collaboration and Indemnity Agreements are signed by all parties the CPO process can formally start. Preparation for the CPO has been undertaken in the form of the preparation of statutory notices, statement of reasons and schedules of potential interests in the land. The resources required for the CPO process itself will be underwritten by Avon.

Development Parameters

- 5.5 Given the nature of the site and the abnormal costs associated with development, viability will be a key issue to deal with. The Collaboration Agreement sets out that agreement of the development parameters and cost share are key unresolved matters. Discussions with regard to these matters will take place during the first six months following the signing of the agreement. Work has been ongoing with our commercial property advisors to ensure that the development parameters being developed are tested from a viability viewpoint.
- 5.6 The future of the disused rail line that runs through the site will have a bearing on both the form and layout of the development and on cost. Initial discussions have

been held with Network Rail to address this issue. The programme for securing agreement is likely to be during the autumn.

Becket's Park Marina

- 5.7 The Becket's Park Partnership continues to meet on a regular basis to drive the project forward. The marina basin and moorings are complete and several boats have been successfully using the marina since April this year. Mooring requests continue to be made by prospective boaters, which is extremely positive. A small amount of revenue has been secured by the Environment Agency from the initial visitors to the marina. It has been agreed by the partnership that this money will be used to secure utility services to moorings that currently do not have services due to the cost cutting exercise that took place earlier this year.
- 5.8 The brick and block work has now been completed on the facilities building and the roof structure was installed last week. The contractors are working slightly ahead of the revised programme and the external works of the building will be completely finished in time for the River Festival on the 7th August 2011. The revised programme of works with practical completion is now reported as September 2011.
- 5.9 The Becket's Park project team has successfully secured £5,000 funding from the Awards for All Lottery which has been match funded by Northampton Borough Council to develop and deliver the River Festival on the 7th August. The family event will be opened by the Mayor of Northampton and will be celebrating 250 years of the River Nene being navigable.
- 5.10 Northampton Borough Council have identified £270,000 to refurbish the promenade in Becket's Park. Work is currently underway and the Park will see new footpaths, railings, furniture and lighting, adding value to the marina and the Park as a whole.
- 5.11 Despite the delays to the project, partners continue to work together well to deliver not only the marina project but several other projects which have and will continue to enhance the Park which supports the overall aspirations for the regeneration of Northampton's Waterside.

6. St Peters, Waterside

- 6.1 A key issue for the wider redevelopment at Waterside relates to the removal of the gas holders and the engagement of National Grid (NG). The operational review of gas storage capacity by National Grid is currently underway and due to conclude in October 2011. It is anticipated that this will confirm the gas holders as 'non-operational' as early as the end of 2011. Dialogue continues with NG at high level with respect to potential development opportunities and scenarios. There is the potential to fund a site demolition and remediation appraisal in advance of the final decision which will allow earlier development on those sites when available. This is in discussion with National Grid and a report will be made to the Board in September.
- 6.2 WNDC and the University of Northampton (UoN) have been working together to bring forward a new 3,300 sqm Innovation Centre on the site of the former United Social Club. The site, opposite Northampton's Castle Station, has been in WNDC's ownership since its purchase from Northampton Borough Council (the Social Club itself was demolished in February 2010).
- 6.3 In April 2010 emda announced the launch of East Midlands Urban Development Fund (EMUDF), designed to support the development of new and innovative businesses via the European Union-funded JESSICA programme. Following extensive discussions between the public sector partners in the town, a project idea emerged which sees WNDC and the UoN bid for JESSICA support for an Innovation Centre to be owned and managed by the University on its completion (subject to necessary approvals and funding). The emerging Northampton Innovation Centre will create flexible incubator space for up to 55 new small businesses with an emphasis on the University's key priorities of Social Enterprise and Business-facing IT.
- 6.4 The project is being simultaneously progressed along two fronts. Firstly the development of a budget to construct the centre and a supporting business plan for its operation. Secondly, the design of the building and its preparation for planning submission.
- 6.5 Unlike most European-funded programmes the EMUDF is offered as a loan, repayable over a period of time. Consequently this building will need to be financially self sufficient from early in its operation. The business plan, which confirms this is possible, has been prepared by CBRE on behalf of the partners. Sources of funding are subject

to approvals but are currently £1.7m from WNDC, £0.8m from UoN and £4.1m from the EMUDF, a total of £6.6m. The total project cost is estimated at £6.75m (made up of £5.7m in construction costs inc 5% contingency, £0.5m professional fees, £0.3m ICT System, £0.2m utilities diversions and £0.05m Section 106 contributions). There is an assumption within that budget that WNDC will release the site at no cost to the project. During Stage D value engineering will be undertaken to ensure the estimated project costs fall within budget.

6.6 A design team led by Broadway Malayan (one of WNDC's Framework partners) and including Arup's (engineering) and Davis Langdon (cost consultancy) were appointed in April 2011 to undertake the RIBA Stage C, design concept, for the scheme. The design team have worked directly with WNDC and the UoN to bring forward plans and designs for the building which have been shared at regular intervals with a wider stakeholder group of public sector partners in the town. Stage "C" is effectively complete and a full Stage C report is currently under review by WNDC and the UoN. A report is being prepared for WNDC's Executive Team and the University's Executive to review the Stage C design. Subject to this review, the intention is to progress to RIBA Stage D, scheme design, and a full planning application. The Board is asked to authorise the Director of Regeneration and Development to submit a planning application for the Innovation Centre. It is intended that public consultation will be undertaken in respect of the Innovation Centre, the wider Waterside and Station proposals in September.

6.7 Subject to continued good progress on both the finances and the design for the building, the programme for the project is set out below:

- Approval to proceed to Stage D design from WNDC's Executive Team 4th July
- Stage D design work completed first week in August
- Planning application submitted early August
- WNDC Board decision on financial contribution to the project at 20th September Board meeting
- UoN decision on financial contribution and commitment to own and operate the Centre, September 2011
- Planning determination, November 2011
- EMUDF confirm decision on funding subject to planning approval so likely late November or early December 2011
- Earliest possible start on site April 2012
- Operational from Autumn 2013

6.8 There are several key issues associated with the Innovation Centre design that must be addressed including the agreement of the project governance and delivery arrangements between WNDC and the University of Northampton. These need to be fully documented, finalised and agreed

6.9 Investment in the Innovation Centre project will be subject to approval by CLG.

7. St Johns / Project Angel

7.1 The strategic review of the masterplan, highways and car parking is ongoing and will inform the need for any strategic highway works to be brought forward for consideration for funding.

7.2 WNDC is working very closely with Northamptonshire County Council on Project Angel. WNDC has funded CBRE to support the feasibility assessment and Outline Business Case development process. It is anticipated that a decision regarding commitment to the delivery of Project Angel will be made by the County Council in December 2011/January 2012. If approval is given a planning application will be anticipated early next year.

7.3 The proposed timetable for securing County Council approval to Project Angel is ambitious. Ongoing support will be required to maintain momentum and ensure that expenditure is targeted to secure maximum value for money. Early indications suggest that Project Angel is unlikely to result in any significant savings to the County, and may require investment to secure the regeneration outputs anticipated.