



# WNDC Board Report

## Report by Director of Regeneration and Development

Paper Reference: 2011-05-07-01

Agenda Item: 7

20 September 2011

**Subject:** Northampton Programme

**Advice:** That the Board:

1. **Endorse** the progress that is being made with regard to the five projects;

**Summary:**

- Progress has been made on all of the projects within the programme
- Significant progress has been made in reviewing and driving forward work to support the delivery of the Grosvenor Centre project.
- Work on the design of the proposed new Innovation Centre has progressed well and a planning application will be prepared for submission in October.
- The planning application for a new road and access to the Avon Nunn Mills site was approved by the Northampton Planning Committee on 25th August 2011.

## **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 our local authority partners during the first half 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.
- 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.
- 1.4 Good progress continues to be made on each of the projects in the Northampton Town Centre Programme. The recent designation of Enterprise Zone status will significantly benefit four of the five town centre projects.

## **2. Grosvenor Greyfriars**

- 2.1 Previous reports have highlighted the importance of viability as a key issue to be addressed. Significant progress has been made in recent weeks with Legal & General and the Borough Council fully engaged with WNDC in reviewing and driving forward all aspects of the project.
- 2.2 WNDC has obtained specialist retail advice to interrogate the project's viability appraisal. This work has now confirmed that the extension and refurbishment of the Grosvenor Centre, although marginal in the current economic climate, is viable for Legal & General and will help WNDC assess the risks to the delivery of the project.
- 2.3 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. It is understood that the Borough Council will be reporting progress to its Cabinet in October.

- 2.4 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.
- 2.5 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 has been undertaking due diligence before committing funding to the project.
- 2.6 In order to commit to such significant investment 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.
- 2.7 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. However, it is anticipated that this work will be complete by the end of October and that a full report will be made to the November Board meeting.

### **3. Castle Station**

- 3.1 GRIP Stage 4 is now complete and has successfully passed through the Network Rail Stage Gate Review. This is a significant milestone and confirms that the new station and multi storey car park as designed can be delivered.
- 3.2 The key objective for the project from this point relates to securing funding to deliver the station. The bid for Regional Growth Funding (RGF) is being reviewed by Government. Every opportunity is being taken to raise the profile of the project with key influencers and decision makers. Securing strategic commitment from key partners is crucial to helping achieve this. Letters of support from a wide range of partners have been received and these will be presented to Government in support of the RGF bid.

- 3.3 Extensive positive media coverage of the scheme has taken place following the formal sign-off of GRIP Stage 4 and the successful outcome of the Enterprise Zone bid.
- 3.4 A decision on the RGF bid is expected in the Autumn. Should this be successful then an Implementation Agreement will need to be negotiated with Network Rail for the delivery of the station. WNDC is in active discussion with Network Rail on this matter.
- 3.5 Alternative funding will be required to deliver the proposed station multi storey car park (MSCP) that frees up the land for the planned commercial development. Potential options will be investigated further to establish if there is a commercial case to fund the MSCP.

#### **4. Avon Nunn Mills**

- 4.1 The Avon, Nunn Mills and Ransome Road sites have been a priority for WNDC, HCA and NBC 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.
- 4.2 Current key work streams are as follows.
- Land agreement with Northampton Borough Council
  - Collaboration Agreement
  - Compulsory Purchase Order
  - Nunn Mills Road Planning Application
  - Ransome Road Planning Application
  - London Road/Ransome Road Junction Improvements

#### ***Land agreement with Northampton Borough Council***

- 4.3 Discussions with NBC have taken longer to finalise than anticipated. Agreement is required to utilise additional land for the junction improvement at Bedford Road. Draft Heads of Terms are now agreed, subject to detailed design of surface water drainage. A letter setting out the Council's 'in principle' agreement on the Bedford

Road land has now been received. The letter from NBC was required so that the Collaboration Agreement can be entered into.

### ***Collaboration and Indemnity Agreements***

4.4 The Collaboration and Indemnity Agreements that will allow the Compulsory Purchase (CPO) are being finalised. This has been delayed due to changes with regard to land owner positions. A final draft along with annexes was circulated to all parties on 14th September 2011. Confirmation from the landowners that they will now sign the agreement has been requested.

### ***Compulsory Purchase Order***

4.5 We are now in a position to progress the requisitioning exercise. Information and tables to accompany the CPO have been updated to reflect the July Board resolution.

4.6 The CPO will be made as soon as the Collaboration Agreement has been signed.

### ***Nunn Mills Road Planning Application***

4.7 In support of the CPO, the Corporation submitted an application for Nunn Mills Road on the 10 June 2011. On 25th August the application was approved by the Northampton Planning Committee, subject to the resolution of technical discussions with the Environment Agency. As part of discussions in support of the planning application meetings have taken place with the utility providers. Further discussion will be held to explore the coordination of utility diversions and planned works to replace some of the utilities by the providers. This could result in the reduction of risk, cost and time in delivering the new road infrastructure. They also present the opportunity of further discussions with Network Rail regarding the future use of the disused rail line.

### ***Ransome Road Planning Application***

4.8 The principle work being progressed is to achieve an appropriate s106 agreement. A draft agreement is currently being assessed by CBRE and GVA Grimley acting for the HCA.

4.9 The HCA have started the process to procure a development partner to take on the delivery of the Ransome Road development. It is anticipated that this process will be complete by the end of the year.

#### *London Road/Ransome Road Junction Improvements*

4.10 The works are scheduled to be complete in December 2011 - on time and within the original budget. A target construction cost has been agreed and contractors have started on site. Utility diversions are now complete.

### **5. St Peters, Waterside**

#### *Innovation Centre*

5.1 Work on the design of the new Innovation Centre is well underway and a series of design team meetings have been held with the University of Northampton. This work is now being developed into a full Stage D design, supported by a revised cost plan.

5.2 An underground services survey and ground investigation site works are now completed. This will provide information for the building design and reduce construction risk. Work to support the planning application also continues. Progressing the site investigation has minimised the potential delay in the submission of a planning application.

5.3 Despite this, completion of Stage D design and the submission of a planning application has slipped by 2 weeks with a consequent knock on delay to the construction start. This delay can be mitigated by going out to tender before a planning application is decided, subject to WNDC Executive and UoN approval. It is anticipated that a planning application will be submitted in October.

5.4 Governance and delivery arrangements for the project have been subject to discussion between WNDC and the University. These arrangements and the principle obligations, roles and responsibilities for each organisation need to be formalised and agreed in writing ahead of WNDC and University Board funding approvals.

5.5 A further report seeking approval of WNDC capital funding for the Innovation Centre will be presented at WNDC Board in November. The University have now decided that they will fund the balance of the project budget from their own capital reserves

rather than seeking a loan via the EMUDF. This has 2 key benefits. The UoN will save on interest payments and are not constrained on the potential use of the building (subject to planning constraints on use) or its future disposal. The University will consider the project at their Governing Body meeting in November.

### *National Grid*

5.6 National Grid (NG) has indicated that the gas holder sites may be decommissioned late 2011, subject to an operational review of alternative storage capacity due to complete in October. WNDC continue to liaise with NG at a senior level and are considering procuring a demolition and remediation appraisal in advance of NG's formal decision.

5.7 It is likely that National Grid will review the development strategy for all of their land if the sites are declared surplus to operational requirement. Discussions have taken place with the Borough Council and County Council to examine alternative development proposals that might help bring forward development of the Gas Holders site with National Grid. These discussions will continue.

### *Green Book Appraisal and CLG Funding Approval*

5.8 Aecom have been appointed from WNDC's framework panel to undertake a Green Book compliant Economic Appraisal for the Waterside project. This appraisal is required for CLG funding approval. The appraisal is forecast to be complete by the end of October 2011.

5.9 Subject to WNDC and UoN confirming funding to deliver the Innovation Centre a submission will be made to CLG to approve this funding.

## **6. St Johns / Project Angel**

6.1 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.

6.2 Engagement with NCC on Project Angel has continued with WNDC funding the consultant CBRE, property advisors 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 in December 2011/January 2012. If approval is given a planning application will be anticipated post April 2012.

6.3 Development proposals for St Johns surface car parks have been progressed by the Borough Council. Discussions with the University with regard to the development of student accommodation continue.