



# WNDC Board Report

## Report by Director of Regeneration and Development

Paper Reference: 2011-06-07-02

Agenda Item: 7

15 November 2011

**Subject:** Northampton Programme

**Advice:** That the Board:

1. **Endorse** the progress that is being made with regard to the Northampton Town Centre Programme.

**Summary:**

- Good progress continues to be made on all of the projects within the programme.
- The London Road/Ransome Road Junction Improvement works are due to be completed in December and within budget.
- A planning application for new Innovation Centre in Northampton Waterside was submitted on 10<sup>th</sup> November.

## **1. Background**

- 1.1 This report sets out progress and the key issues relating to the delivery of the key projects in Northampton Town Centre. The Grosvenor Greyfriars project is the subject of a separate report on the agenda and so is not covered in this report.
- 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 Good progress continues to be made on each of the projects in the Northampton town centre programme.

## **2. Northampton Waterside Enterprise Zone**

- 2.1 The designation of the Northampton Waterside Enterprise Zone (EZ) provides a significant boost for the key projects. With the exception of Grosvenor Greyfriars all of the key projects are located within the Northampton Waterside Enterprise Zone. Although the Grosvenor Greyfriars project is located outside the Zone it will benefit indirectly from the designation. Together the projects will combine to bring very significant regeneration and employment benefits to Northampton.
- 2.2 Implementation of the EZ is being led by Northampton Borough Council and the South East Midlands Local Enterprise Partnership. They are supported by key partners, including WNDC.
- 2.3 Governance arrangements for the EZ have been established and agreed. WNDC is represented at all key levels, including the Strategic Board (John Markham) and Executive Group (Chris Garden).
- 2.4 Northampton Borough Council is producing an Enterprise Zone Implementation Plan. The implementation plan is being submitted to the Department for Communities and Local Government on 11 November and will include a definitive site boundary for the EZ.
- 2.5 Once Implementation Plans and site boundaries are agreed, the UK Enterprise Zones will be enacted by the Localism Bill, which is due to receive royal assent by the end of November. This will enable business rate discounts within the agreed zones to begin from April 2012.

2.6 The simplified planning regime is being researched and prepared by Northampton Borough Council, with close support from WNDC's planning department. It is likely that the Local Development Order (LDO) will cover the western side of the zone, with an alternative, more controlled planning regime for highly sensitive sites in the central area, some of which are in heritage conservation areas and flood risk zones.

2.7 Northampton Borough Council is leading discussions with landowners affected by the Enterprise Zone. This site-by-site analysis will inform the implementation programme, as well as the overall marketing strategy.

### **3. Castle Station**

3.1 The key objective for the project from this point remains securing funding to deliver the station. High level engagement with government has continued on the scheme, which forms a key part of the Waterside Enterprise Zone.

3.2 Confirmation was received on the 31st October that the Regional Growth Fund bid to deliver the station was unsuccessful. The Fund, which was more than three times oversubscribed, was largely awarded to projects in the North of England, where public sector job losses have had a major impact. However, the Corporation is pursuing a number of alternative funding options. The Station is an essential part of Northampton's infrastructure and the importance of a new station has been underlined previously by the Board and other partners. A series of actions will be worked on in the coming months to continue momentum and to secure the commitment and investment required to deliver the project. These will include the following:

- Review cost of delivering the Station. WNDC will work with Network Rail and Civil Engineering contractors to secure a more realistic cost for delivering the station building.
- Review with Network Rail recent capital projects to assess tender prices compared to GRIP4 estimates.
- Growing Places Fund. A bid to the Governments new Growing Places Fund will be considered. Guidance on this fund, which will be channelled through Local Enterprise Partnerships, has now been issued. For Northampton this will include Northamptonshire Local Enterprise Partnership (NEP) and the South East Midlands

Local Enterprise Partnership (SEMLEP). WNDC will work with partners to secure a funding commitment to the project.

- Work with DfT, CLG and Network Rail to consider how the procurement process for the new rail franchise (post 2015) can be used to secure investment in the project.

3.3 Alternative funding will be required to deliver the 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, Homes and Communities Agency (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. The site is an important part of the Waterside Enterprise Zone with considerable potential to attract private sector investment in commercial development and new employment.

4.2 WNDC had been progressing the regeneration of the site on a collaborative basis with the agreement of all the landowners. A key constraint to securing redevelopment of the site has been land in unknown ownership. A strategy to deal with this, making use of WNDC's powers of Compulsory Purchase and using a Collaboration Agreement to secure adequate indemnity and, by agreement, the land required for the access road, had been agreed by all of the landowners. However, Persimmon Homes are not in a position to enter into the Collaboration Agreement at this point in time.

4.3 An alternative strategy for bringing forward this key site within the Enterprise Zone is being developed. A full report on this will be made to the next meeting of the Board. WNDC continues to work with the remaining landowners, particularly Avon Cosmetics Limited and the Homes and Communities Agency (HCA).

4.4 A number of work streams have been progressed to support the project, many of which are still required to support delivery of the site. A summary of these key work streams are as follows.

- Land agreement with Northampton Borough Council

- Nunn Mills Road Planning Application
- Development Parameters and Development Appraisal
- Ransome Road Planning Application
- London Road/Ransome Road Junction Improvements

### **Land Agreement with Northampton Borough Council**

4.5 Agreement with Northampton Borough Council (NBC) is required to utilise additional land for the Junction improvement at Bedford Road. An in-principle letter of support has been received from Northampton Borough Council.

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

4.6 The application was considered by the Corporation's Northampton Area Planning Committee on the 25 August 2011. It was resolved to grant consent for the road subject to the resolution of technical discussions with the Environment Agency. These matters are being resolved to the satisfaction of the Environment Agency.

### **Development Parameters and Development Appraisal**

4.7 Work has been ongoing with our commercial property advisors to ensure that the development parameters being developed are tested from a viability viewpoint. This work will feed into the ongoing work on the assessment of the development options and will also support the work being undertaken by NBC to establish the Local Development Order for this part of the Enterprise Zone.

### **Ransome Road Planning Application**

4.8 The principle work being progressed is to achieve an appropriate s106 agreement. A draft agreement has been circulated for comment by the HCA and NBC.

4.9 The HCA are preparing a development brief for phase 1 of the Ransome Road scheme and are continuing to procure a development partner for the site.

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

4.10 The works have progressed well and are scheduled to be complete in December 2011. Costs remain within the original scheme budget.

## 5. St Peters, Waterside

### Innovation Centre

- 5.1 The design of the Innovation Centre has now been progressed to RIBA Stage D. All the documentation needed to support a detailed planning application is complete and a planning application was submitted on 10<sup>th</sup> November 2011.
- 5.2 In order for the planning application to be determined an intrusive archaeological investigation is needed during the planning period. The estimated cost for this is circa £5,000.
- 5.3 WNDC are exploring a number of alternative approaches to funding and delivery of the Innovation Centre. This includes options for WNDC delivering the building; the establishment of a long term (i.e. 24 - 30 year) lease with an end-user and the securing of private sector capital investment against a covenant. With this alternative funding approach WNDC's contribution remains limited to £1.7m. Soft market testing of potential investors and/or private sector operators is also underway.
- 5.4 The Innovation Centre, Castle Station and the wider St. Peters Masterplan were presented for design review on 27<sup>th</sup> October. A detailed report is currently being prepared but the broad principle of a building of that mass, typology and in that location as part of the catalysing of the wider St. Peters area was broadly supported.
- 5.5 The current programme indicates the appointment of a design and build contractor in June 2012 with a start on site in July 2012 and completion by September 2013. However, to maintain this programme, Stage E detailed design would need to commence in November 2011 and the European procurement process in December 2011, both funded 'at risk'. This is not proposed until funding to deliver the project is committed.

### National Grid

- 5.6 National Grid's operational review of alternative storage capacity was due to report in October. This has not yet been received, but it is believed that this will recommend the operational assets should be decommissioned. Although the Operational Review has not been issued, National Grid has appointed property advisors (Savills) and

Planning Consultants to review the potential options for the development of their sites. Meetings with National Grid are scheduled for next week.

## **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. Highways issues need to be resolved on both projects
- 6.2 A Project Board has now been established for St. John's, at which WNDC and NCC are represented. It is understood that planning applications will be submitted in the coming months for the student accommodation and hotel projects
- 6.3 Engagement with NCC on Project Angel is ongoing. It is anticipated that a decision regarding commitment to the delivery of Project Angel will be made at the earliest in January/February 2012, following a review of the current position and wider options. A re-design of the suggested scheme to reduce the size of the accommodation provided and increase the provision of on-site car parking is under consideration. If approval is given a planning application will be anticipated post April 2012.