



WNDC Board Report

Report by Executive Team

Paper Reference: 2012-01-07-01

Agenda Item: 7

17 January 2012

Subject: Northampton Town Centre Programme

Advice: That the Board note the progress that has been made on the Northampton Town Centre Programme.

Summary:

- Progress continues to be made on each of the projects in the Northampton Town Centre Programme.
- CLG have confirmed conditional approval to WNDC's proposed investment in the Grosvenor Greyfriars project.
- The Avon Nunn Mills CPO is on programme to be made in February.
- There has been positive engagement with National Grid with regard to the future of the Gas Holder site.
- The Northampton Innovation Centre proposal has been received positively by potential private sector investors and operators.

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.
- 1.2 Work with our local authority partners during 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. Further adjustments to the governance and operating arrangements are to be made to both the Operational Group and Strategic Group to ensure that they are operating in the most effective way.
- 1.3 Progress continues to be made on each of the projects in the Northampton town centre programme.

2. Avon Nunn Mills

- 2.1 Following the resolution of the Board on 13th December 2011 the focus of activity has been to progress the work required to make the Compulsory Purchase Order (CPO). The programme for the CPO was set out in the report to the last meeting and is as follows.
 - Land Referencing and Requisitions for Information – December 2011-Jan2012
 - Order, the Draft Order Map and Order Schedule submitted to National Unit for Land Acquisitions and Disposals for technical review – January 2012
 - Making CPO – February 2012
 - Objection period closes – March 2012
 - Public Inquiry held – May 2012
 - Secretary of State Decision – November 2012
 - General Vesting Declaration made – December 2012
 - Possession – March 2013
- 2.2 A CPO team is now in place comprising SNR Denton, CB Richard Ellis and Persona Associates together with WNDC officers. Regular team meetings are taking place to ensure the efficient management and delivery of the CPO process, which is currently running to programme.

- 2.3 The Land Referencing in support of the CPO is being undertaken by specialist land referencing consultants, Persona Associates. The purpose of the land referencing is to identify all legal interests in the land that is to be acquired. Much of this work was undertaken to support the original CPO resolution for the road corridor, but has been updated and expanded to cover the additional land included in by the proposed CPO. A draft Avon Nunn Mills CPO Order Map is attached at Appendix A and the associated CPO Schedules have been circulated to all Board Members. The formal Requisitioning for Information is a legal process whereby all of the known legal interests are written to and are required to provide information regarding their interests in the land within a specified timescale. The Requisition letters were sent to all interested parties on 21st December, with responses expected by 18th January 2012.
- 2.4 An important aspect of the Land Referencing and Requisition work is to explore the historic interests in the site in order to identify the potential interest in the land in unknown ownership. To date no confirmed legal interest in this land has been identified or claimed.
- 2.5 Meetings have now been held with all of the principal land owners – Avon Cosmetics Ltd, Taylor Wimpey, Persimmon Homes, The Homes and Communities Agency, Network Rail and Northampton Borough Council. These meetings have been held on a one to one basis with a view to reaching a negotiated agreement with each party. The negotiation with landowners has been undertaken by CB Richard Ellis and will continue throughout the compulsory acquisition process.
- 2.6 The agreement of the development parameters and the cost share for the Avon, Nunn Mills and Ransome Road were matters that, under the previous ‘collaborative’ arrangement, were unresolved matters. Given the change in strategy this area of work will need to feed into a comprehensive case for regeneration through the CPO process and for providing the basis for the procurement process. The development parameters will also provide a supporting document for the Northampton Central Area Action Plan (CAAP) and so Northampton Borough Council have been fully engaged in these discussions.
- 2.7 With regard to the Ransome Road site, a draft s106 agreement was circulated by the Corporation for comment to the HCA and NBC. However, the HCA are working

- through the procurement of a development partner for the Ransome Road site and it is unlikely that the draft s106 agreement will be progressed any further at this stage. Indeed it may be that the development partner appointed will want to consider making a new planning application for the site.
- 2.8 The works to the London Road/Ransome Road junction, which allow development to start on the Ransome Road site, were completed in December 2011 in accordance with the programme. The costs were met within the original scheme budget. The HCA are also well advanced with remediation works for the Ransome Road site.
- 2.9 An update on the CPO programme and progress on its key activities will be provided to the next (and each subsequent) Board meeting.

3. Castle Station

- 3.1 The key objective for the project remains securing funding to deliver the station redevelopment. High level engagement with Government has continued on the scheme which is a key part of the Waterside Enterprise Zone.
- 3.2 There is now a renewed focus by WNDC and local partners on exploring alternative funding options and securing further commitment, including financial, from key government departments, Network Rail and local partners. The County Council have been particularly active in wanting to support this work.
- 3.3 The current Network Rail project cost estimate of £52m is considered excessive and may be hindering the chances of securing funding to deliver the scheme. WNDC has procured an independent review of the scheme costs by a cost consultant (Davis Langdon) and its report was received in early January. The advice is that there are potential savings of up to 20%, or £10m, of the scheme value, with target cost for the station of circa £22m and for the multi storey car park of £19.5m. Further cost savings are achievable but would require more significant value engineering that may change the station design more significantly.
- 3.4 Discussions have also taken place with contractors to obtain a more realistic construction market view of the development costs. This has confirmed the view of the cost consultant that there is an over estimate of between 10 – 20% of construction costs. Discussions with contractors have also indicated that there is scope for significant value engineering on the scheme. Full value engineering will

involve further design related work and would be undertaken at the next stage of design.

4. Grosvenor Greyfriars

- 4.1 A programme for the Stagecoach lease buy out and bus interchange facility development has been provided by NBC and the NCC Design Team. This confirms that the new facility is intended to be completed by August 2013, with vacant possession of the existing bus station anticipated to be secured by the end of that year. This will be the earliest the bus station could be demolished. The earliest realistic anticipated timescale for start on site for the Grosvenor Centre would be mid 2014, subject to planning and CPO processes.
- 4.2 The design for the preferred option for an alternative bus facility is being progressed by NCC, in conjunction with NBC and WNDC.
- 4.3 The design process will result in a planning application for the new bus interchange facility being made in February 2012. There will be a programme of public consultation in advance of the planning application being submitted.
- 4.4 The proposed new bus interchange facility will require relocation of the Northampton Arts Collective who currently occupy the Fishmarket site. Further clarification is required from NBC as to how and where this facility will be re-provided, its potential linkage with the developing cultural quarter, and how the ongoing funding to support this enterprise will be protected. This is awaited, but discussions are ongoing with NBC.
- 4.5 The case for WNDC funding to contribute to the acquisition of the Stagecoach lease and construction of the new bus interchange has been presented to CLG Investment Sub Committee. CLG have now confirmed in principle approval to the funding.
- 4.6 Heads of Terms for a funding agreement with NBC have been revised as a result of CLG's approval. The target timescale for exchange is mid to late February.
- 4.7 Northampton Borough Council's Cabinet gave approval on 23rd November for the additional funding required to complete the bus interchange facility and, importantly, a commitment to fund any cost overruns associated with the project.

4.8 Legal & General has confirmed commitment to funding the design and consultancy team required to take the project through the planning process, subject to the conditions precedent relating to the bus station being fulfilled. The design team has been appointed and a programme of meetings is in place to take forward pre-planning application work and discussions. A planning application for the Grosvenor Development is still programmed for late summer this year.

5. St John's Project Angel

5.1 The strategic review of the masterplan, highways and car parking is ongoing. A highways solution for these sites and linkage with Bridge Street has been proposed. The County Council has bid for £1m of Growing Places funding via Northamptonshire Enterprise Partnership, with the remainder to be met from Project Angel and St. John's development proposals.

5.2 Engagement with NBC continues in relation to St.Johns through the St. John's Project Board meeting 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.

5.3 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 March/April 2012, following a review of the current position and wider options review. A re-design of the scheme is underway. Further work is required to identify how car parking can be accommodated to meet both commercial and operational needs. This is being progressed between NCC and NBC. If approval is given a planning application will be anticipated late summer 2012.

6. Waterside

6.1 The report on Waterside below provides an update on discussions with National Grid in respect of their land and an update on the Innovation Centre project.

6.2 National Grid

6.3 National Grid has appointed commercial property and planning advisors to review the potential options for the development of its sites. This supports National Grid's stated position that it is looking to make progress with the decommissioning of the site(s).

6.4 Subject to the outcome of this review, National Grid is now happy to work with WNDC on an open book basis to explore opportunities for partnership working to overcome the site constraints, and seek to secure future developability of the National Grid land including the gas holder sites.

6.5 A programme of monthly meetings will be instigated from February, when the initial outcome of the review will be known. This represents a significantly more positive attitude from National Grid than has been experienced over recent years, and is welcomed. A report back on the outcome of the review and its implications for St. Peter's Waterside will be provided as soon as it is available.

6.6 Innovation Centre

6.7 Considerable progress has been made in recent weeks on determining the private sector appetite for the project, both in terms of its operation and the financing of its construction. Positive discussions have taken place with a number of organisations operating innovation centres in other parts of the U.K.. All have confirmed the potential market for an innovation centre of this size, location and quality within Northampton and expressed an interest in exploring their future involvement.

6.8 Parallel discussions have been underway with potential funders of the project. Again, the response has been very positive with indications that, subject to all due diligence, finance could be made available at competitive rates for this project.

6.9 As has been the case throughout the development of this project, the key issue to be resolved is the ongoing operation of the innovation centre. The University of Northampton remain fully engaged and supportive of the project, although there is still work to be done to identify the best funding and operational arrangements for all parties. The confirmed private sector interest opens up additional options which WNDC are exploring with the University.

6.10 The Stage D design for the Innovation Centre is complete and the report has been submitted. Work to progress Stage E and G, full technical design and tender

documentation for a design and build contract has been put on hold until the funding to deliver the project has been committed.

6.11 The planning application for the Innovation Centre was submitted on the 10th November 2011. The scheme will be taken to planning committee on the 17th January 2012. In order to inform the planning process, intrusive archaeological investigation has been completed at the site. WNDC have been advised that nothing unforeseen or significant was found during excavations.

6.12 Assuming funding is committed by the end of March 2012 the current programme shows the appointment of a design and build contractor in October 2012 with completion by December 2013. To maintain this programme, Stage E technical design and utilities diversions will need to commence at the beginning of April 2012.

6.13 Green Book Appraisal

6.14 The Green Book Economic Appraisal for the Waterside project is now complete. The appraisal shows that the preferred development option, represented by the current CAAP, offers the greatest value for money. However, this option presents the greatest deliverability risk as it will require significant public funding and/or the support of National Grid for it to proceed.

7. Conclusion

7.1 The programme for Northampton Town Centre is large and complex. The successful delivery of the programme has the potential to transform Northampton Town Centre, creating significant new investment and new jobs. Progress continues to be made on each of the five key projects. The Board is asked to note the progress that is being made.

8. Appendix

Appendix A - Draft Avon Nunn Mills CPO Order Map (Paper Reference: 2012-01(E)-05-01)