

WEST NORTHAMPTONSHIRE COUNCIL

CABINET

13 July 2021

CABINET MEMBER WITH RESPONSIBILITY FOR ECONOMIC DEVELOPMENT, TOWN CENTRE REGENERATION AND GROWTH: COUNCILLOR LIZZY BOWEN

Report Title	Northampton Market Square Redevelopment
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Appendix 1 – Northampton Market Square Stage 2 Design Report

Appendix 2 – Master Programme

1. Purpose of Report

- 1.1 The purpose of this report is to update Cabinet and seek the necessary approvals to deliver the Future High Street Funded project on Northampton Market Square. This includes approving the use of the ring fenced Future High Street Fund Grant of £8,427,625, making all necessary appointments, including the design team and

contractors and seeking all other approvals required including planning and Highways.

2. Executive Summary

- 2.1 This report provides context on the Future High Street Fund (FHSF) grant that was awarded to West Northamptonshire Council on the 1st April 2021 for the Northampton Market Square public realm improvements.
- 2.2 The 2018 budget announcement central Government launched Our Plan for the High Street which included £830 million for the Future High Street Fund. The aim of the Future High Street Fund is to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability.
- 2.3 The process of public consultation, design development, final design objectives and principles are explained. The Stage 2 Design Report (**Appendix 1**) that formed part of the successful FSHF bid provides further guidance on the evolution of the public realm design proposals. These proposals will see the transformation of the Market Square with new planting, tiered seating, an interactive water feature, a condensed & improved market and new surfacing.
- 2.4 The next stages of the capital project are explained including the WNC project governance process, Design Team appointments, the detailed design process, details of further public consultation, the planning process and procurement of a principle contractor. The programme for the project leading to final completion of the public realm improvements in November 2023 is broken down, in line with the FHSF deadline for final completion at the end March 2024.

3. Recommendations

- 3.1 Cabinet is asked to:
 - a) Note the work to date on securing £8,427,625 for the redevelopment of Northampton Market Square and the next steps that are required to take forward this project.
 - b) Approve the use of the ring fenced Future High Street Grant Funding of £8,427,625 for the Northampton Market Square public realm improvements as set out in this report and the Stage 2 Design report (appendix 1).
 - c) Delegate authority to the Executive Director of Place, Economy and Environment in consultation with the Section 151 Officer, the Monitoring Officer and the Cabinet Member for Economic Development, Town Centre Regeneration and Growth to:

- appoint the Design Team to develop the Market Square proposals following an OJEU compliant procurement process.
 - appoint the principle contractor that demonstrates best value and quality using an OJEU compliant procurement process.
- d) Delegate authority to the Head of Major Projects and Regeneration to approve the final design ahead of the procurement of a principal contractor. This will be taken through the Northampton Town Deals Board, Northampton Forward, to seek their agreement and incorporate feedback following the public consultation while ensuring that the design principles set out in the current stage of work are adhered to.
- e) Note that a full planning application using the detailed design proposals will be submitted as part of this work.
- f) Note the additional revenue pressure that this project will create to West Northamptonshire Council as a result of different maintenance regimes being required and as a result of the monitoring and evaluation obligation upon completion.

3.2 Reason for Recommendations

- The recommendations proposed align closely with the objectives established in the West Northamptonshire Council Corporate Plan 2021-2025, specifically the Green and Clean, Thriving Villages & Towns and Economic Development priorities.
- The recommendations proposed align with the Northampton Town Centre Masterplan and will see the design and implementation of the catalyst regeneration project for the Town.
- The recommended course of action is in line with the objectives, outputs and benefits expected from the Future High Street Fund to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability.
- The recommendations above are required to progress the public realm improvement as submitted to the FHSF.

4. Report Background

Future High Street Fund (FHSF) grant

- 4.1 In the 2018 budget announcement central Government launched Our Plan for the High Street which included £830 million for the Future High Street Fund. The aim of the Future High Street Fund is to renew and reshape town centres and high streets in a way that drives growth, improves experience and ensures future sustainability. It will

do this by providing capital funding to successful applicants to support transformative and structural changes to overcome challenges in their area. Northampton was shortlisted as one of one hundred Towns to bid for the funding.

- 4.2 In 2019, Northampton Forward was formed to develop the Town Centre Masterplan Plan. This underwent public consultation in 2019 and proposed a range of capital projects for funding that would enable the Regeneration of Northampton Town Centre.
- 4.3 Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrate regeneration and growth within Northampton, including Northampton town centre. The board is responsible for establishing a strategy and delivery framework for future development to achieve this vision. The delivery of the regeneration framework shall be carried out by Northampton Forward's key partners, i.e. West Northamptonshire Council, South East Midlands Local Enterprise Partnership, The University of Northampton, Northampton Town Centre Business Improvement District, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate as well as representatives from the private and community sectors.
- 4.4 After further public consultation and workshops two were selected from the Masterplan that would have the greatest transformative impact for the Town and were selected for inclusion in the final FHSF business case. The two projects that were put forwards included the Market Square public realm improvements and the refurbishment/extension of Waterloo House (a building adjacent to the Market Square) as a co-working space. In June 2020 Northampton Forward approved and submitted the detailed business case at a value of £12.21m.
- 4.5 After a clarification process over the course of 2020/21, on the 1st April 2021 West Northamptonshire Council received confirmation of £8,427,625 from the FHSF to fund the Market Square public realm in full. The Waterloo House project was not funded by the FHSF grant and has subsequently been purchased by a private developer.

Northampton Town Centre

- 4.6 Northampton Town Centre plays a vital role as a major centre serving the town and a wider catchment of over 1m people. The population is expected to grow further over the coming years, supported by the Town's alignment to the Ox-Cam Arc increasing the role of the town centre in providing facilities that encourage community cohesion.
- 4.7 Despite the increase in population Northampton Town Centre has seen a decrease in footfall of 14.4% year on year, with this currently greatly increased because restrictions that have been implement as a result of the Covid 19 Pandemic.

- 4.8 The Northampton Town Centre Masterplan was approved by Cabinet in October 2019, this document sets the principles and the approach that will be taken to deliver the transformational change that is required.
- 4.9 The Town Centre Masterplan identifies catalyst regeneration projects aligned to the Council's long-term strategic objectives for Northampton Town Centre. These were focussed on, consolidating the retail core, growing the density of the town centre and nurturing an ecosystem for all kinds of urban life to flourish and expand. These proposals are framed within five town centre areas including the Market Square, Greyfriars, Abington Street - Eastgate Quarter, The Cultural Quarter and Marefair.

Northampton Market Square

- 4.10 The Market Square lies at the heart of Northampton and was considered by the town's population as one of the most attractive and impressive parts of the Town Centre. The square has suffered from a lack of investment, with the market continuing to suffer from a declining number of stalls and the stalls being a focal point for anti-social behaviour into the evening.
- 4.11 The Towns Centre Masterplan public consultation demonstrates that the Market Square is a priority for the residents of Northampton to transform this area of the town. The lack of investment in the area has led to reduced footfall. Since January 2019, vacancy rates in Market Square and the surrounding area have increased by 11% (prior to the pandemic), highlighting the need for urgent intervention. This has been further exacerbated by the Covid 19 Pandemic.

The Market Square masterplan

- 4.12 The design proposals for the Market square as submitted to Future High Street Fund are -
- The key activities across the square are broadly zoned by the paving banding, creating periphery activity to engage with the building frontages and a clear open central space for flexible events and activities.
 - The market will be condensed but will be significantly improved with the inclusion of a fixed permanent markets stalls and an area set up to receive temporary or seasonal stalls. It is intended that key desire lines and routes from transport connections to Abington Street will pass near the market stalls to assist with footfall.
 - The two large existing trees are proposed for removal and replacement. The existing trees, albeit mature and provide green amenity are not ideal species, nor have a particularly elegant form and would not endure the life expectancy of the new square proposals. Proposed trees are suggested to replace the

existing, and will be constructed with large underground cells to ensure they will have the potential to reach maturity

- To the north of the square a grove of trees will provide shade during the summer months. These trees help to frame the central event space and provide screening for the architecture to the north of the square. Stepped seating will be introduced to utilise the subtle level change across the square and provide an informal resting place for people to congregate and enjoy looking across the square.
- A large event space will be created at approximately 1,500m² which will have the capability to host a variety of types and sizes of events, performances and seasonal activities within the square.
- A water feature will be installed as the central attraction that provides everyday animation within the square. Its linear design is intended to support the activation of the western façades which are most suitable for cafe spill out interaction with the square. The feature will utilise the natural fall from north to south to create a rill type feature with small crossings to create east west permeability. The feature will end in the southern corner of the square with a larger, shallow pool with interactive jet fountains to create vertical interest and play provision.
- Large, elegant double-sided seating will sit along the length of the feature to allow for increased activation and people watching. The water feature will be illuminated at night-time with variable and seasonal display loops
- The whole Square will be resurfaced with a combination of new robust paving and re-using the existing cobble setts as a clear feature. New street furniture, lighting services, drainage and public art will be included.

- 4.13 The Market Square Stage 2 design report (**Appendix 1**) establishes the core principles that will rejuvenate the Market Square however the designs are for master planning and budgeting purposes only. It will now be a requirement to develop the proposals in more detail in order to obtain planning approval, tender the construction contract and implement the scheme to the best standards.

Northampton Forward Towns Deal Board

- 4.14 The Town Centre Masterplan and FHSF business have been developed in collaboration with Northampton Forward, a strategic partnership established to address existing issues within Northampton Town Centre. The partnership includes membership from key stakeholder groups across business, public services, the Northampton Town Centre BID and the community to ensure input from a broad cross-section of groups.
- 4.15 Northampton Forward Board meets monthly and is administered by West Northamptonshire Council. Board stakeholders have been engaged throughout the business case development process - setting the vision for success from the outset,

shortlisting options, reviewing and providing input into all aspects of the final submission including approving the final submission. The Board will continue as the key governance forum for overseeing transformational change in Northampton and the completion of the Market Square project.

Detailed design and professional appointments

- 4.16 The design proposals for the Market Square are currently designed to RIBA Stage 2. A Design Team will be appointed through an OJEU compliant procurement process in consultation with WNC Procurement to Design the proposals to RIBA stage 3+, this will consider the physical constraints and opportunities of the site. The detailed design work will include undertaking further invasive surveys, drainage CCTV, ground penetrating radar and topographical surveys of the site. The detailed designs will then be developed for the public realm including modelling the water feature and plans for hard landscaping, utilities, tiered seating, soft landscaping, tree planting, the type and number of permanent & temporary market stalls, level changes and all associated works.
- 4.17 External appointments will be required as the skills, qualifications and experience required to undertake the design work cannot be found in house at WNC. The appointments needed are listed below –
- Gillespie’s Landscape Architects will be appointed via the Procure Partnerships Framework due to their lead role in preparing the stage 2 designs. They will be employed as lead designer and will guide all the design team consultants in preparing details drawings and specifications.
 - A conservation advisor will be appointed to prepare a detailed heritage report in consultation with Historic England and the WNC Conservation Officer including a Heritage Impact Assessment.
 - Mechanical and Electrical consultant for the new street lighting proposals, power supplies for traders and events, new CCTV and mechanical equipment for the water feature.
 - Civil Engineer to provide detailed specifications and ensure compliance with relevant standards.
 - Quantity surveyor and Contract Administrator to manage the cost plan, ensure value for money, review/compare the costs submitted at procurement of the principle contract and manage any variations required during the works.

Procurement of the principle contractor

- 4.18 There is not the capability within WNC to undertake a construction project of this scale and complexity therefore there is a requirement to procure the services of a capable, competent and financially stable principle contractor. The contractor will be responsible for managing a range of employed staff and sub-contractors to undertake

the public realm improvements from start to completion, this includes a defects/liability period of 12 months.

- 4.19 This will be complex project in terms managing relationships with surrounding businesses and landowners before, during and after implementation. It is important the contractor proves their capability and allocates a resource to this task. This will be assessed as part of the quality criteria established during a compliant procurement process.
- 4.20 A robust procurement strategy will be applied to ensure the best value for money as well as compliance with relevant legislation. The principle contractor will be procured through a WNC approved competitive process. This competitive process will be a mini-competition or direct award through an OJEU compliant Framework Agreement. Contractors on the framework will be required to submit tender responses to a detailed set of pre-qualification questions, specifications and plans as prepared by the appointed Design Team within an agreed timeframe. Site visits, interviews with the contractor's management team, references and a clarification process will be a requirement of the procurement process.
- 4.21 Tender responses will be evaluated by WNC officers and the professional team against a percentage score of 60% price and 40% quality. The highest score for price (60%) will be given to the contractor that proves best value for money whilst demonstrating they have clearly understood and abided by the guidance given in a detailed pricing schedule. The 40% quality score will be broken down into sections including but not limited to relevant capability & experience, a detailed methodology for the works, a detailed programme of works for the construction and defects phase, risk management plans, added value, social value and environmental impact assessment.
- 4.22 All relevant assurances will be sought from the contractor including suitable insurance cover, liquidated and ascertained damages, performance bonds and parent company guarantees.

Contractor management and contingency budgeting

- 4.23 WNC will appoint an employer's agent, contract administrator and cost consultant (quantity surveyor) to manage the construction project through design and implementation. These appointments will be made at the same time as the design team to ensure consistency and continuity. The appointments will be procured in consultation with WNC Procurement through a compliant process.
- 4.24 The WNC Principle Regeneration Officer will be overseeing design and implementation and reporting back to the Project Board and Northampton Forward through the project initiation document, monthly highlight report and updates to the risk register. WNC project Governance and management processes will be followed.

- 4.25 There is a 10% risk contingency budget and 10% optimism bias adjustment built into the project cost plan as submitted to the funder to allow for unforeseen costs and inflationary pressures. This will ensure the project can be delivered at a time when construction supplies and materials are experiencing significant inflationary pressures. The design process will also be scrutinised by the appointed Quantity Surveyor to ensure it can be delivered on time and on budget.
- 4.26 The project will be delivered in line with the contractor's method statements submitted at the procurement stage, regular meetings defined at the tender stage and in line with a master programme.

Master Programme (Appendix 2)

- 4.27 The FHSF project must achieve final completion by March 31st, 2024.
- 4.28 Surveys and the appointment of the Design Team will commence as a priority in July 2021. Detailed design and engagement with various stakeholders including the market traders and Town Centre Management Team will commence immediately in order to achieve milestones in the master programme.
- 4.29 There will be a 12-14-month design and planning process whereby the masterplans will be worked up in more detail by the Design Team and submitted to West Northants Development Control for approval. This process will take 3-4 months.
- 4.30 After a competitive procurement process works will commence in Summer 2022 and take approximately 12-18 months to Practical Completion. There will be a 12-month defects and liability period thereafter.

5. Implications (including financial implications)

5.1 Resources and Financial

Capital budget funded by way of the FHSF grant

- 5.2 The cost for the project were calculated from the Stage 2 Design proposals with a QS appointed to undertake this assessment. A contingency budget is included with an allocation also made for optimism bias adjustment for unforeseen costs and inflation.
- 5.3 Additional funds were allocated to the project as part of the FHSF clarifications process and were allocated as a further contingency for inflationary pressures since the cost plan was finalised. The revised capital ask was approved by the FHSF at £8,427,625. The breakdown of the budget and the phasing of the payments is shown in the Revised business case spreadsheet budget confirmation.

- 5.4 All capital expenditure on the project will be approved and monitored by the WNC Capital and Assets Board with a Senior Finance Officer in attendance at all project board meetings. Expenses will be monitored through the WNC finance software ERP Gold and an evolving cost plan based on up to date records of purchases.
- 5.5 The phasing of the capital spend by financial year is shown in the table below –

Northampton Market Square - FHSF capital grant - phased payments			
2021/22	2022/23	2023/24	TOTAL GRANT
£822,157.00	£6,741,689.00	£863,779.00	£ 8,427,625.00

- 5.6 There is no WNC committed match funding for the project, the capital project is funded in full of the FHSF grant.

Revenue costs

- 5.7 The annual revenue costs for project delivery, ongoing maintenance and monitoring/evaluation are estimated to be £75k above the current position. There will be no additional revenue costs outside of the project costs up to March 2024 as this will be the construction period. In the years after the project completion the cost will come from increased ongoing maintenance costs (£65k - £25k for the Water Feature and £45k for other areas) as well as costs associated with the monitoring and evaluation of the project (£5k).
- 5.8 The revenue position will be confirmed once the next stages of the design process are complete. The next will identify items such as the exact number of new trees, paving types and specification of the water feature so that firm costs are able to be given.

Legal

- 5.9 Legal advisors are required to attend all project board meetings (in accordance with the grant funding terms), to provide advice and ensure compliance with regulatory requirements. Legal will be consulted regularly and at all stages of the project. It is likely that due to the complexity of the Project, specialist external legal advisors will need to be sourced.
- 5.10 Legal advice will be required to ensure all due process is followed and procurements are undertaken in a correct and compliant way throughout the duration of the Project term and specifically to advise on the correct procedures, contractual terms and conditions, collateral warranties provided professional advisors, insolvency bond requirements, amendments to standard forms of contract, latent defects, defects and

liability clauses, contract variations, freedom of information and other related statutory requirements.

- 5.11 Legal advice will be needed on WNC's insurance requirements for the construction works to ensure suitable cover.
- 5.12 Market traders will be affected on a short-term basis during the delivery of the public realm improvements. There will be a requirement to move position or relocate to an alternative location whilst construction works are completed. There will also be long term changes to the location, type, size and number of market stalls in the Market Square. Further consultation with the market traders and the WNC Town Centre team is underway to determine the correct process that should be followed to understand the requirements of current and future traders. There will be legal considerations that need to be applied to these decisions e.g. changing licence/lease arrangements and making new arrangements for the new permanent and temporary market stalls. Legal advice will be required on these arrangements in consultation with WNC Estates.
- 5.13 It may necessary to add/remove equipment from surrounding buildings. WNC Legal advice will be needed on the necessary arrangements/permissions/licences.
- 5.14 Legal advice relating to changes to services and agreements with statutory undertakers will be needed on a case by case basis.

Risk

- 5.15 In approving the Future High Street Grant Funding for £8,427,625 for the Northampton Market Square public realm improvements there are inherent risks. The FHSF grant funding has an obligation to complete the project by March 2024. There are uncertainties at this early stage of the project that means WNC does not fully understand if the programme will be achievable. This includes discovering obstructions in the ground, archaeological/conservation constraints and objections from local businesses and individuals.
- 5.16 Project management and governance controls have been put in place to allow issues discovered during the design and construction works to be evaluated and addressed. The scope of works for the design team will also be reviewed in detail to ensure these risks are addressed at an early stage in the project to avoid lengthy delays.
- 5.17 Mitigation measures to avoid significant disruption to the programme of works include extensive surveys and early consultation with the Local Planning Authority, statutory organisations and key stakeholders. There will also be provision within the construction contract to ensure delays not foreseen and out WNCs control are the responsibility of the contractor. There will also be regular communication with the FHSF to alert them should any significant delays arise.

- 5.18 In approving the use of the grant and proceeding with the project there are risks associated with the changes to the location, type, number and size of market stalls. Work is underway with the market team to establish the future form of the market to ensure a high-quality offer as part of the work to the market Square.
- 5.19 WNC have commenced early stage consultation with the Market traders to ensure they are kept informed. Options will be developed on the optimal provision of market stalls and the design and location of these in line with the principles established in the stage 2 design report. Further consultation will be undertaken with market traders and other stakeholders to inform the final proposals.
- 5.20 There is a risk that due to the current extraordinary inflationary pressures on construction materials that the costs will exceed the budget for the public realm improvements as specified. A significant (contingency) budget and optimism bias allocated for the work but due to the pressure on prices in the past year being so high, caused by the pandemic and other national factors, that this couldn't have been accounted for at the time. If the Contingency and Optimism bias do not cover the increases, then VE options will be looked at within the scheme.
- 5.21 Project management and governance controls have been put in place with financial management and reporting a key part of this. A Quantity Surveyor will also be appointed to the Design Team from inception to completion of the project. This will ensure costs are closely monitored and controlled.
- 5.22 The design team and procured contractor will consider the best option to phase implementation to meet the needs of these businesses but some disruption will be unavoidable. The additional time and cost considerations associated with phasing the work will also need to be factored into the agreed approach. The Project Board will consider the best option based on evidence and direct consultation with key stakeholders.
- 5.23 **Consultation**
- 5.24 The Town Centre Masterplan included substantial consultation and informed the development of the projects for inclusion in the Town Centre Masterplan. The Market Square is the catalyst regeneration project in the Masterplan. Key themes running through the masterplan area are:
- A need for more residential provision in the town centre to support retail
 - Improving the retail experience (a reduction in empty sites and an improvement in the appearance and quality of retailers represented in the town centre)
 - Cleanliness and tidiness
 - Greater provision of food and drink

- 5.25 The final design for the Market Square was selected after three design options were shared during 6-week public consultation in 2019/20. The results of this are shown in the Market Square Evaluation report.
- 5.26 A further public consultation will be undertaken in Autumn 2021 when the designs for the Market Square have been worked up in more detail. Qualitative and quantitative survey comments will be sought to inform the final designs before submission to the Local Planning Authority.
- 5.27 Direct consultation is underway with key stakeholders and statutory undertakers at meetings, workshops and through formal channels to inform the final design of the public realm.
- 5.28 The public art project commission at the Market Square project will require extensive engagement with the local community. It is essential the community is engaged with the space for it to be successful, this is one way of achieving this.

Consideration by Overview and Scrutiny

- 5.29 N/A

Climate Impact

- 5.30 Providing quality open spaces in urban areas is an important consideration in urban planning and addressing the effects of climate change. The new tree planting and soft landscaping within the Market Square will set a precedent for further tree planting in the Town and therefore help to capture CO2 emissions.
- 5.31 The materials used in the construction of the public realm will, where possible, be sourced in the UK to reduce the CO2 emissions caused through long distance transportation. All timber products will be sourced from ethical and accredited FSC suppliers.
- 5.32 The principle contractor that is procured for the project will be required to demonstrate social value including best practice to reduce the impact on the environment. The use of local sub-contractors will reduce the CO2 emissions caused through long distance travel.
- 5.33 Renewable energy sources will be considered for the temporary and permanent market stalls.

Community Impact

- 5.34 Northampton Town Centre faces a number of problems associated with antisocial behaviour, drug abuse and homelessness. The Regeneration objectives and projects

identified in the Town Centre Masterplan aim increase footfall and improve opportunities to live, work and socialise by rejuvenating core areas in the Town. The Market Square will be the catalyst regeneration project to enable these objectives and improve the outlook for the local community.

- 5.35 Local businesses have experienced significant a loss of footfall and revenue in recent years, this has been exacerbated by the Covid 19 Pandemic. The Market Square public realm improvements will provide a destination that will attract more people to experience the Town and its unique heritage and cultural venues. This will increase retail and leisure activity in the centre improving the outlook for local businesses.
- 5.36 The combined long-term effect of the Regeneration projects proposed in the Town Centre Masterplan will be to generate further private investment the area, improving job opportunities and therefore the quality of life for residents.

6. Background Papers

6.1 See Appendices