



West Northamptonshire Council

Northampton Town's Fund Business Case

Extension of 78 Derngate Charles Rennie Mackintosh Museum

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Sign Off:

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1 - Executive summary

1.1 - Introduction and background to Towns Fund

In December 2020, Northampton submitted Northampton's Town Investment Plan to Government and was successful in being awarded £25million.

The submission was overseen by the Northampton Forward Board. Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrated regeneration and growth within Northampton, including Northampton Town Centre. The Board consists of West Northamptonshire Council, South East Midlands Local Enterprise Partnership, The University of Northampton, Private Sector Representatives, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate, Community Representatives, Northampton Town Centre Business Improvement District and other partner organizations as needed.

The projects submitted as part of the Town Investment Plan have a total ask of £25 million. The final list of projects are as follows:

- Town Centre Public Realm
- 41- 45 Abington Street
- 35 -39 Abington Street
- Marefair Heritage Gateway
- Four Waterside
- 24 Guildhall Road Art Centre
- 78 Derngate Extension: The Charles Rennie Mackintosh Museum
- Emporium Way
- St Peters and the Old Black Lion
- Skills and Social Enterprise Fund

The Town Investment Plan sets out an ambitious plan which will deliver:

- 15,600 sqm of new and refurbished commercial floorspace.
- 24,900 sqm of new public spaces.
- 2,300 sqm of new or expanded cultural and heritage venue, including new space for skills facilities; and
- Remediation and enabling works for key sites in the town centre to create new public spaces, new mixed-use urban quarters, and commercial facilities.

The ten-year vision will strengthen Northampton's position at the centre of the Oxford-Cambridge Arc by providing modern spaces for creative businesses to capitalise on the town's manufacturing and entrepreneurial passion.

It will also:

- Build on the rich heritage and cultural offers to rejuvenate the town centre so it once again represents the aspirations of its residents.

- Create high-quality housing, digital infrastructure and open spaces, enabling communities to grow and flourish to meet economic, health and wellbeing, and environmental challenge; and
- Improve access to skills and training while promoting first-rate higher and further education opportunities.

1.2 - Description of the Project

The 78 Derngate project will enable an extension of the Charles Rennie Mackintosh Museum and the conversion of part of the site to create a new functional garden. This will provide for an improved visitor experience within Northampton and build on a brand that is well known as an iconic historic visitor attraction, as part of a growing Cultural Quarter which will increase footfall in the town encouraging economic growth. A new publicly accessible outdoor space was a priority from the public consultation undertaken as part of the Town Investment Plan process.

The extension will allow a greater occupancy of the building following COVID-19, improving the sustainability of the Museum while also allowing it to diversify the activities that are offered from the site and allow for an expansion of the retail and restaurant and space for corporate hire. This will generate increased income and deliver outputs including increased commercial floorspace, the creation of new direct jobs, additional volunteer roles in the community and assist businesses, as well as provide a learning garden for further educational purposes, widen the visitor demographic and provide improved independent disabled access to the visitor centre.

The Northampton Town Investment Plan can be found as Appendix 1.

2 – STRATEGIC CASE

This strategic case sets out the rationale for the proposed investment in 78 Derngate, as set out previously in the Town Investment Plan, including the following:

- Evidence of need
- Key policy context
- Overall vision and objectives including those specific to the project
- Option for investment and how it was identified
- How option will help achieve objectives
- Key stakeholder groups and business partners
- Proposed investment
- Outcomes and impacts

2.1 – Introduction

This strategic case sets out the rationale for the investment of £400,000 from the Towns Fund to enable an extension of the 78 Derngate Charles Rennie Mackintosh Museum, based in the heart of Northampton town centre and in addition, the purchase of an adjoining parcel of land to provide additional outside space to create a new functional learning garden. This project will provide an improved visitor experience in Northampton town and build on a brand that is well known as an iconic historic visitor attraction. The extension, based on clean growth principles, will allow a greater occupancy of the building, improving the sustainability of the museum while also allowing it to diversify the activities that are offered from the site, increasing visitor numbers post COVID 19.

The investment will provide:

- Increased commercial floor space, exhibition space and improved retail area.
- A new extended 'learning garden'.
- New flexible use spaces for corporate hire and weddings.
- Greater storage areas and better archive space.
- Improved independent disabled access.
- The release of new visitor areas in 78 Derngate and replace areas in need of urgent repair.
- A larger reception for managing groups; and
- A new tearoom which will increase the capacity of the restaurant.

The project will be delivered by 78 Derngate Northampton Trust, an independent charity founded in 1998 to preserve, restore and make available to the public the only house in England remodelled and designed by the Scottish architect Charles Rennie Mackintosh. The Trust operate from three adjoining Regency terraced houses.

The increase in facilities and size will mean that 78 Derngate can diversify its offer by being more attractive to larger groups, attracting and accommodating greater visitor numbers which in turn will generate an increased income. It becomes a much more viable venue for corporate events enhancing the attractiveness of the town for employers, and as a possible venue for smaller wedding groups. The Trust already provides educational visits for schools and higher education,

but again capacity is an issue. The larger space will afford more flexibility and allow for more students to visit.

The Trust has been recognised by the Arts Council to be eligible for accredited museum status. The facilities provided by the project will better enable the Trust to achieve accreditation.

2.2 – Case for Change

Since 78 Derngate was first restored and opened to the public, the Trust has made a small operating profit without recourse to public revenue funding. However, this profit does not cover the cost of depreciation and renewal. The Trust bases its budget on attracting 7,500 paying visitors a year but generally manages about 8,000 with 9,000 in a good year prior to COVID-19. This does not include people who use the free facilities or come only to use the Dining Room. During 2017 a crack started to appear in one of the panes of an existing glass wall at the rear of 82 Derngate due to differential expansion when subjected to solar radiation. The cost of replacing the damaged pane was estimated to be £30,000. Since then, a second pane has similarly cracked, and the cracks are spreading.

When the original refurbishment was completed, it was always the plan to have an extension to the rear of 82 Derngate to provide additional space. This was sacrificed due to lack of funds and the need to prioritise the refurbishment of 78 Derngate itself. In practical operation since opening several disadvantages of the current spatial layout have been realised principally the siting of the shop and the inability to accommodate larger groups.

The shop, although moved recently to facilitate a COVID-19 compliant one-way system, was small and sited by the reception desk. Incoming visitors were standing with their backs to the shop when arriving at reception. Neither is the COVID-19 compliant position ideal as it has reduced gallery space and thus curtailed the size of exhibitions.

Because the principal attraction, and the *raison d'être* for the museum, is a small terraced Georgian house, it is only possible to have groups of up to 8 on guided tours with 6 given a superior experience for visitors. This is, and always will be, a major constraint on visitor numbers. Larger groups could be accommodated if there was more space to and entertain the residual numbers as each sub-group is given a tour.

Meanwhile, the Trust would like to widen the visitor demographic to make an attraction welcoming to all and has applied to the Heritage Fund to fund a project to do this principally by working with schools, supplementary schools, and youth groups. However, this will still be constrained by space as mentioned above. In addition, independent disabled access will be achieved with this project.

The COVID-19 pandemic has led the Trust to consider alternative ways of generating income. The shop went online before the pandemic and considerable effort has gone into rationalising stock to facilitate this. Since the pandemic started, as well as implementing the one-way system referred to above, the Trust has implemented a downloadable audio guide to facilitate self-guided tours by individuals, households or members of social bubbles and an online booking system. Work is well advanced in producing a virtual tour that will be on the Trust's website to be accessed for a fee.

When 78 Derngate was open during the pandemic the practical arrangements put in place to protect staff, volunteers, and visitors, coupled with reluctance of the prevailing demographic to venture out led to visitor numbers being severely reduced with no visitors on some days. If these constraints continue to be necessary, it is assumed visitor numbers will remain low with annual numbers numbering hundreds rather than thousands.

During the design and planning process, anticipated costs escalated significantly because of comments by Heritage England. When the trust went to tender even the lowest tender was more than the money the trust had available. Consideration was given to trying to raise the additional money from the commercial market. However, this was not possible primarily because any funder would want to take a charge on building and the interest charges would have a significant adverse impact on the revenue funding of the museum and thus put its very existence at risk.

2.3 - Policy Alignment

National policy recognises that despite several years of national economic growth the major benefits have accrued in cities and towns have fared less well. The Towns Fund is designed to rebalance the economy promoting growth in towns particularly within specific regional growth plans. The funding is to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills, and culture.

The 78 Derngate Charles Rennie Mackintosh Museum is a successful cultural destination within the town that has the potential to expand its reach and more strongly contribute to the wider offer of the town, complementing other investments celebrating cultural heritage including 24 Guildhall Road, Emporium Way, and Old Black Lion. This will in turn contribute to the strategic need to increase footfall in Northampton town centre which, identified in the Northampton Town Centre Masterplan, has been falling by 14.4% year on year, contributing to the vision of the town achieving its full potential and economic recovery with shops and businesses post COVID-19.

This project aligns with the South East Midlands Local Enterprise Partnership (SEMLEP) Local Industrial Strategy, co-produced with Government, shaping economic policy to support clean growth to create attractive, well-designed places where people will want to live and work today and that meet the needs of generations to come.

The project also correlates strongly with the priorities in the West Northamptonshire Council Corporate plan, to achieve a green and clean environment and wellbeing, thriving towns and economic development in terms of growth and prosperity. The project aligns with the strategic objectives of the Town Centre Masterplan in addition as outlined in the table below.

Council Strategic Objective – TCMP Objectives	Outcome
Transforming the Heart	<p>More attractive retail and social offering leading to increased footfall and dwell time</p> <p>Improved commercial space offering boosting business growth in the Town Centre</p>
Smaller and stronger retail core	Increased spend within the Town Centre leading to a larger and more sustainable business rates income stream

	Improved commercial space offering boosting business growth in the Town Centre
Creating a residential community	Increased animation of the Town Centre making it a more attractive destination for tourists and local population
Culture, history and heritage	Increase tourist/visitor numbers by highlighting the Town's heritage/cultural offering

Government has designated the Oxford-Cambridge Arc 'a globally significant area between Oxford, Milton Keynes and Cambridge [formed] of five ceremonial counties: Oxfordshire, Bedfordshire, Buckinghamshire, Northamptonshire and Cambridgeshire to secure sustainable growth'.

The Northampton Town Investment Plan (TIP) builds on its role within the Oxford-Cambridge Arc and turns the results of a policy review and extensive public consultation into a plan for investment that is based on four cross cutting principles for investment and ten objectives.

The principles are:

- A vibrant heart to the town centre.
- Building on outstanding cultural and heritage assets.
- Inclusive economic growth; and
- Enhancing the town's green spaces and adopting low-carbon principles.

Bringing heritage buildings back into use was seen as a priority at both the 78 Derngate stakeholder workshops and the online community consultation. Its larger size will mean that it is better able to attract larger groups and provide corporate events, increasing the profile of Northampton. The new garden will provide a well-used open space in the town for visitors to the museum.

The investment will further contribute in the following ways:

- A vibrant heart to the town; providing a strengthened cultural destination in the town and regenerating a derelict site in the town centre. The lack of town centre attractions plus competition from other centres is a primary reason provided for the limited use of the town centre by many of Northampton's residents.
- Celebrating cultural assets; both through the capital investment and ongoing activity of the museum. Residents recognise that more can be done to build on the town's rich cultural assets, creating a town that benefits all communities; and
- Enhancing the town's green spaces through the provision of a new museum garden. There was an identified need to deliver a greater diversity of uses within the town centre to better serve Northampton's residents and visitors. A particular importance was placed on community centres, activity, and community spaces. Given that 78 Derngate is the only example of work by Scottish architect and artist Charles Rennie Mackintosh in

England all work to enhance the offering and raise its profile will be beneficial to Northampton.

The project also contributes to the Town Investment Plan objectives and to aims of the 78 Derngate Trust in the following ways:

TIP Objective	How addressed
Town centre regeneration	78 Derngate is at the entrance to the town centre and the gateway into Northampton's cultural quarter.
Investment in public realm	The new garden will increase the amount of open space available to the public which will be open to visitors to 78 Derngate itself and visitors to the Dining Room and/or galleries.
Investing in cultural and leisure uses	78 Derngate is a Charles Rennie Mackintosh cultural and heritage asset that is unique in England.
New life into heritage assets	The two elements of the project will improve visitor experience of a unique heritage asset. Also being adjacent to a road junction the build process itself will attract interest and raise the profile of 78 Derngate.
Addressing deprivation and inequalities	The additional space will enhance the offering and enable the Trust to implement its ambition to engage with schools, supplementary schools, and youth groups.
Clean growth	The new extension has been designed to clean growth principles. The glass used in the extension will be treated to regulate the heat retention and loss. Air source heat pump technology will be used for the extension. This will be further enhanced if the Heritage Fund monies are granted which will enable the same technology to replace an older heating system for 78 Derngate itself.

The investment also closely aligns with the 78 Derngate Trusts objectives of:

78 Derngate Trust	How Addressed
78 Derngate Trust Objective Increased Income	

	The additional space that will be generated, both internally and in the garden, will allow the trust to put on more income earning events such as corporate events, heritage talks, musical performances as well as greater gallery and shop sales. This increased income will aid financial recovery post COVID-19.
78 Derngate Trust Objective Widening Participation	The additional space removes a physical constraint that reduces the ability to handle larger groups and thus provides the opportunity to engage with schools from deprived areas, supplementary schools and youth groups effectively. Consultation with these groups will take place once funding is secure and construction contracts are in place.

2.4 - Vision and Objectives

The Trust exists to preserve, and make available to the public, the heritage that is 78 Derngate, a Georgian terraced house remodeled and with interior design by Charles Rennie Mackintosh. It further, celebrates the contribution of Mackintosh's client Wenman Joseph Bassett-Lowke to industrial design and modernism and seeks to use the story of these two men's achievements to encourage future generations of designers.

The vision of this project in smart objectives is as follows:

- To provide flexible additional space that will provide the Trust with the opportunity to increase its range of activities and increase its income and thus widening participation, increasing audiences, and securing a sustainable future by June 2022; and
- To create an enlarged garden, open to the public, that reflects the work of Charles Rennie Mackintosh and incorporates the work of young local designers by Spring 2023.

In addition, the learning garden will provide a stimulating educational environment aimed at reflecting the design aspects of 78 Derngate and the artistic work of Charles Rennie Macintosh. It will provide the opportunity to be used for:

- Outdoor lessons for school groups.
- Special events.
- Demonstrations by local artist and craft makers; and
- Hire for special occasions by groups, corporate entities or individuals either separately or in conjunction with the museum.

There are four measures of success:

1. Increased visitor numbers
2. Increased income
3. More diverse visitor profile
4. Greater variety and local arts and crafts makers exhibiting

2.5 - The Proposed Investment

Do Nothing Scenario

In a do-nothing scenario the Trust would continue its operations as they currently are without the additional land or the extension. It is expected that, at best, an ongoing operational profit could be achieved but renewal/maintenance of heritage asset would become increasingly difficult. At worst, if the visitor profile is not diversified incomes would begin to decrease resulting in an unsustainable financial position.

Do Minimum Scenario

A do minimum scenario would be based on campaigns to attract more visitors. There have been similar campaigns in the past but have often relied on discounts which makes little difference to the financial return and none to the visitor profile.

Options Considered

The main option considered before deciding on the extension was to replace the cracked glass and to continue to operate in line with the do minimum scenario above. The replacement of the glass would have cost some £60,000 with no prospect of a return on such an investment. Discussion about the need for renewal led to a discussion of the potential to realise the ambition of 20 years ago for an enlarged atrium updated to current circumstances. Meanwhile, the Trust became aware that the additional land, that had originally been part of gardens for the Trust's properties and some adjoining properties, was available for purchase.

Description of Project

The project has two parts:

1. The building of an extension providing 675m² of flexible space. The architect's brief is in Appendix 2, the planning permission in Appendix 3, and a pictorial view of the extension in Appendix 4. Full drawings can be found on the West Northamptonshire Planning portal under applications N/2019/0878 and N/2019/0881.
2. The purchase of 575m² of additional land to provide new enlarged and enhanced gardens. A preliminary drawing of the garden extension is in Appendix 5.

The project is divided into two phases.

- **Phase 1**, the extension of the atrium enabling the museum to extend its cultural and educational offering.
- **Phase 2**, a new accessible public open space, parking spaces and landscape garden area to the rear of the museum. Both phases will run in parallel with staggered start dates for the construction works.

Phase 1 – Extension to The Museum Atrium

This phase has full planning permission and an outline business case. The match funding is secured, and contractors are engaged.

- Appoint contractor – Autumn 2021
- Works commence – Autumn 2021
- Practical completion – Spring 2022

Phase 2 – New Open Space and Landscape Garden to The Rear

- Planning permission and listed building consent granted for the new garden – Winter 2021
- Assembly of additional land to the rear– Autumn/Winter 2021
- Detailed designs to RIBA 4 – Autumn Winter 2021
- Procurement of contractor – Winter/Spring 2021/22

Theory of Change

Within the investment context the inputs through the activity will create the outputs which in turn will have impacts that can be measured.

Investment Context:

- TIP ambition to create a vibrant and welcoming town centre that benefits all Northampton's communities by improving cultural provision.
- Potential to regenerate a derelict site in the town centre

Inputs:

- £400k Towns Fund
- £250k Grant from West Northamptonshire Council
- £250k Charitable donations, fundraising and use of reserves
- West Northamptonshire Council expertise and time in lieu of Council's staff
- Professional project team appointed by the Trust

Activity:

- Investment in the expansion of a well-used community asset to expand its offer and reach by:
 - Procurement of a parcel of land
 - Building of an extension to the visitor centre at 82 Derngate
 - Design and landscaping/planting of garden

Outputs:

- 675m² of flexible commercial floor space to be used for the shop, restaurant and
- Improved independent disabled access.
- 575m² of additional landscaped garden to be used by schools and for corporate hire
- 13% annual increase in visitor numbers (additional 1000 museum visitors, 1250 Dining Room customers and 500 Gallery visits per annum)

- Additional volunteer job roles created
- 1.5 safeguarded jobs, 2 new direct job roles created and 20 indirect construction jobs
- Combined revenue increase of £54K per annum based on an average £20 spend per head at today's prices
- 91 Businesses assisted

Impacts:

- Better visitor experience
- Wider range of activities
- Enhanced ability to generate income
- Enhanced ability to increase footfall in Northampton Town Centre and specifically the Cultural Quarter
- Enhanced ability to reach wider audiences
- More sustainable financial framework
- The remediation of a disused site
- Upgraded and expanded cultural facility in the town that will complement wider investments
- Enhanced public realm through the provision of a new museum garden
- Increased business resilience post COVID-19

Measures of success:

- Greater income
- Greater variety and local arts and crafts makers exhibiting
- More diverse audience and visitor profile
- Museum accreditation status

2.6 - Risks, Constraints and Interdependencies

Considering, mitigating, and managing uncertainty are essential elements of the management of the project in the Management Case and considered in greater detail in the Risk Register – Appendix 7.

Risk	Mitigation
Tender price too high due to inflationary pressures in construction industry	Considerable work has been done between the Trust, its architect and its quantity surveyor to value engineer the project before going to tender. In extremis money can be saved by phasing the garden design and using the cohort of volunteers to do the planting. Ensure a fixed price contract is in place with clear specification that accords with the project budget. Contingency sum agreed. Clear and strict project governance. Variation and contingency controls. QS overview and scrutiny. Defined Value Engineering process.

Chosen contractor goes into liquidation	As part of the tender evaluation a thorough assessment will be made of the financial strength of contractors especially if one tender is significantly cheaper than the others.
Supply of key materials	Pilkington have announced that they will stop making planar glass early in 2022. The Trust is trying to establish the last date they will take orders for production. If the current programme is kept to then the impact should be minimal. Tenderers were made aware of this when the tender package was released. Alternative suppliers to be contacted in Europe for quotations.
Disruption of new build reduces visitor numbers short-term	Plans have been drawn up to isolate the area of the works from the rest of the museum during the construction phase. These will be reviewed prior to construction with the chosen contractor and monitored and modified as necessary thereafter.
Land price exceeds expectation	A negotiation has taken place that has brought down the price of the land provided it is purchased before a long-stop date of 31st July 2021.
Purchase of additional land fails	The Trust is proceeding with the purchase at risk to avoid this happening. If it does fail, it may increase build costs due to lack of storage for contractors but the enlarged garden, whereas both desirable and beneficial to the Trust's operations it is of secondary importance to the building extension.
Heritage Fund contribution not realised	There is no adverse impact from the proposal as outlined in the TIP if this funding is not realised. If it is realised it will improve the clean growth element of the project and

	kick-start the Trust's programme to widen participation.
COVID 19 impact on visitor numbers	Ensure the programme for approving the funding and construction works is managed affectively and delivered as a Fast-Track project. Construction works for the extension and garden could be phased to allow the museum to open in advance of the garden. Ensure delivery during the less busy winter period to re-open for the summer months. Mitigate risk of low visitor confidence post COVID-19 with strong marketing strategy.
Planning permission	The garden design is to be revised to remove the parking area. Change of use will be sought but detailed planning approval may not be required (awaiting advice from WNC Planning). Loss of amenity land cannot be avoided. Planning to be engaged throughout. Planning and LBC for the extension approved.
Conservation area and Listed building conditions	Early engagement with Planning and Conservation Department underway. RIBA 3 design development to ensure compliance and to understand required conditions. Heritage Impact Assessment to be prepared to understand key considerations/impacts, project to be designed according to these considerations. WNC Conservation Department to be engaged through informal communications and planning process. This has been done for the extension but needs to be done for the garden extension.
Inclement weather	Suitable contingency for weather delays to be built into the final agreed programme.
COVID 19 impact on financial viability of 78 Derngate as an organisation	Risk of National Lockdown Restrictions with a third wave of COVID-19 and general health of the economy to 78 Derngate being open to visitors. Payable online tour being developed in conjunction with online museum shop. Heritage Fund and Arts Council grants assisting current finances. Sservices contracted for a maximum of two-

	year periods and flexibility in the way procurement and staff are managed.
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There are two major constraints on the project. The first is the extent to which the museum can continue to operate whilst construction is underway. The second is the time factor in the supply of key materials. Steel is in short supply, so prices are rising, and look set to do so for some time into the future. If it is not possible to order the planar glass by September before manufacture ceases in the UK, this material will need to be sourced from Europe. There are three potential fixes, redesign, the Trust pre-ordering the glass at risk or importing glass from overseas. None of these are desirable with each carrying unnecessary risk including considerable cost escalation and time delay.

There is an interdependency between the purchase of the land and the build of the extension. The extension site is extremely constrained. If the additional land is purchased at the time currently planned it will be available to contractors for a storage compound which should reduce, albeit marginally, contract costs. It would also reduce the potential for contract delays due to material delivery problems.

2.7 - Stakeholders

Other than the Trust board the following stakeholders have been engaged in the project. Letters of support can be found in Appendix 7.

Stakeholder	Engagement, Interest and views
Friends of 78	The Friends are an organisation that support the Trust with a special interest in preserving the Mackintosh heritage. The Trust provides project updates for each edition of their newsletter. They are incredibly supportive.
West Northamptonshire Council	Through their predecessor authority, Northampton Borough Council, provided match funding early in the generation of the project. The authority also initiated the consideration of the project for Towns Fund support.
Northampton Forward	Agreed to include the project in the TIP.
SEMLEP	The South East Midlands Local Enterprise Partnership have advised on the Business Case for the Towns Fund support and guided the strategic objectives.
Charitable funders	Provided early funding when the project was at the concept stage. The trust sends out periodic updates to these funders.

Heritage England	Were consulted early in the design process. One of the most important consultees in terms of the detailed design. All their comments were adopted after considerable discussion.
The Project Team	The project team led by the architect were responsible for the detailed design. As part of this process pre-application meetings were held with planners and other consultees and changes were made both before formal application and during the approval process.
The CRM Society	Formally consulted by the Trust. Supportive of the concept.
The Twentieth Century Society	Formally consulted by the Trust. Supportive of the concept.
Staff and Volunteers	Staff and volunteers have been involved in ad hoc discussions throughout the process from initial concept through design and their ideas have helped inform the steering group's decision making. Some have become individual donors to project fund. There is enthusiastic support.
Visitors	Since the end of 2018 visitors to the museum have been able to see various iterations of the plans and some visitors have made small donations. Most comments that have been made have expressed interest.
Wider public	The scheme has had frequent local coverage in the Chronicle and Echo and on BBC Radio Northampton and NLive. There has also been more formal consultation as part of the planning process. Most comments from the public on the extension were supportive. There were some adverse comments on the planning application for the land to be purchased which included some parking. Residents objected to this. The application was withdrawn, and the Trust changed its plans to make more garden space.

2.8 - Consultation

The development of the Town Investment Plan was guided by community and stakeholder consultation. The TIP builds on the initial consultation work undertaken to inform the development of the Town Centre Masterplan which seeks to address many of the challenges outlined in the TIP. The consultation exercise for the Masterplan informed the early development of the project longlist.

Online Consultation

Online consultations on the potential TIP proposals were held in September 2020 to determine the community's priorities for investment, gain feedback and opinions on a range of proposed investment areas and determine the challenges / opportunities for the town.

Approximately 434 individuals replied to the questionnaire creating a total of 1,495 pieces of project level feedback. The responses were evenly split between males and females. 18% of respondents were aged under 35 and 15% were over-65.

Overall, the majority of responses were positive about how beneficial the projects would be to improve the town centre. The main challenges highlighted were a lack of quality goods offered in the town centre, poor appearance of the town centre and competition with other areas. The main opportunities were bringing disused buildings / public space back into use and improving the public realm. The initial survey was followed by more detailed questioning of a web community across three days.

This builds on over two years of consultation completed on the ground and through all media channels. The online consultation completed for the Town Centre Masterplan in 2019 informed the development of the longlist of projects developed for this tip.

Key local priorities identified at that stage include the restoration and upkeep of historic buildings, improving the quality of retail, the quality of public realm and greenspace in enhancing the town centre, pedestrianization in the town centre, and the potential to accommodate new homes.

Consultation Workshops

A series of consultation workshops were completed in October 2020 focusing on urban regeneration; deprivation and inequality; and business, enterprise and skills. Approximately 150 stakeholders were approached to take part in the workshops. Workshops were attended by key stakeholders in Northampton including local businesses, social enterprises (Northampton Social Enterprise Town), Community Town Safety Teams, Northampton Digital, Northampton Arts and University of Northampton.

Engagement with private sector bodies aided understanding of growth barriers and helped to ensure the plan remains responsive in uncertain times.

Engagement with public sector and community organisations highlighted how social enterprises can be incorporated into projects.

The consultations produced a number of themes for the Town Investment Plan including re-energising cultural and historic assets, diversifying the housing offer to match the needs of the community, make the town centre feel safer and upgrade / improve management of key public spaces.

The Town Investment Plan consultation findings can be found in Appendix 8.

Stakeholder Engagement Plan

A Stakeholder Engagement Plan has been developed to accompany Northampton's Town Investment Plan. This document sets out our commitment to develop ongoing relationships with key stakeholders to ensure implementation of the Town Investment Plan remains responsive to the overarching needs of the town.

The Stakeholder Engagement Plan can be found in Appendix 9.

3 - ECONOMIC CASE

3.1 – Summary

This project concerns the development of 78 Derngate. 78 Derngate is an important heritage asset within Northampton Town Centre. The project is seeking investment of £400,000 of Towns Fund support. Investment would enable the Trust to invest in improvements in the current fabric of the building and to expand the range of services through the investment. Without the investment the Trust would be unable to move beyond a 'fire fighting' model of existence, this would put at greater risk the condition of the building and not allow the opportunities, such as the purchase of adjacent land to be concluded. The Economic case reveals a positive BCR of 2.6, which is based on benefits which are broadly conservative and with the Trust optimistic that the funds will deliver more benefits.

3.2 – Introduction

This project has been developed by 78 Derngate. The project is seeing investment of £900,000, with £400,000 sought from the Towns Fund to enable an extension of the 78 Derngate Charles Rennie Mackintosh based in the heart of Northampton town centre. The project will be delivered by 78 Derngate Northampton Trust, an independent charity founded in 1998.

The investment will provide:

- Increased commercial floor space, exhibition space and improved retail area;
- A new tearoom which will increase the capacity of the restaurant;
- A new extended 'learning garden';
- New flexible use spaces for corporate hire and weddings;
- Improved independent disabled access; and
- The release of new visitor areas in 78 Derngate and replace areas in need of urgent repair.

The increase in facilities and size will mean that 78 Derngate can diversify its offer by being more attractive to larger groups, attracting and accommodating greater visitor numbers which in turn will generate an increased income. This will enable the facility to be a more viable venue for corporate events enhancing the attractiveness of the town for employers. The investment will help the Trust develop its ability to provide increased numbers of educational visits for schools and higher education. The larger space will afford more flexibility and allow for more students to visit.

This project will provide for an improved visitor experience in Northampton town centre and build on a brand that is well known as an iconic historic visitor attraction. The extension, based on clean growth principles, will allow greater occupancy of the building, improving the sustainability of the museum while also allowing it to diversify the activities that are offered from the site and increasing visitor numbers as we emerge from COVID-19.

3.3 – Approach to the Economic Case

The Economic Case has been developed using the latest guidance set out in the Green Book and using advice set out in Towns Fund documents. The economic model used to generate outcomes and outputs are based on recognised national benchmarks.

In developing the project a number of assumptions and forecasts have been made. Individual components of deadweight, displacement, leakage and multiplier effects have been looked at to revisit assumptions about additionality. These have then been taken into the revised CBA calculations and Business Case. These sensitivities have been identified below.

- **Time period considered:** The Green Book States “costs and benefits should be calculated over the lifetime of the intervention or asset. For many interventions, a time horizon of 10 years is suitable.”
- **Timing of spend:** For all scenarios a planned timing of spend was used, relying on the assumption of the project being supported in 2021, with construction commencing in November 2021 and concluding in April 2022.
- **Discounted rate:** a standard discount rate of 3.5% per annum has been applied in calculating future benefits arising from the investment.
- **Deadweight:** The reference case accounts for deadweight loss of what would happen in the absence of intervention.
- **Displacement:** The number/proportion of intervention outputs accounted for has been considered by reduced outputs elsewhere in the target area. As far as the various options are concerned, it is proposed there is clear evidence that Northampton Town Centre requires investment, and because of this, have assumed displacement of the reference case to be 10%.
- **Leakage:** With the delivery of project it has been forecast that there is a chance of leakage due to the fact that there is competition for elements of the project, such as the Dining Room, as a result it will mean the level of leakage will be relatively small. Because of this, a factor of 10% has been applied within the economic impact modelling.
- **Substitution:** In line with standard approaches to substitution, benchmarks suggest this is a negligible issue for this type of development;
- **Multiplier Effect:** Measures economic impact (jobs, expenditure or income) of an intervention is multiplied because of knock-on effects within the local economy;
 - Reference Case: As far as the reference case is concerned, the multiplier effect is considered to be zero;
 - Preferred Case (Option 3: the redevelopment of 78 Derngate): It has been forecast that the Multiplier Effect will take effect once investment has been made, which in turn should encourage new private sector investment into the Town Centre. It is anticipated that the improvements delivered through the Preferred

Option will be a further signal of investment in Northampton Town Centre and that partners are proactive in delivering change.

These factors have now been applied to the various options under consideration and the CBAs been updated accordingly. It is suggested that the scheme will safeguard jobs within current operators in the Town Centre, these will be addressed appropriately.

- **Optimism bias:** The Green Book guidance has been used to identify a suitable level of optimism bias. The Green Book states that standard building projects are those which involve the construction of buildings not requiring special design considerations i.e. most accommodation projects e.g. offices, living accommodation, general hospitals, prisons, and airport terminal buildings.

The calculated Optimism bias of 15.3% has subsequently been applied to the model.

3.4 - Options Appraised:

The Trust has identified three options in relation to the project. These are Do Nothing, Do Minimum and Redevelopment of 78 Derngate. These have been considered by stakeholders and presented below.

Longlist of Options Appraised

A range of potential solutions to the opportunities and challenges in the Strategic Case were identified during the option generation process. Initial options included a variety of elements that will deliver change to 78 Derngate's commercial offering.

The main option considered before deciding on the extension was to replace the cracked glass and to continue to operate in line with the do-nothing option above. The replacement of the glass would have cost some £60,000 with no prospect of a return on such an investment. Discussion about the need for renewal led to a discussion of the potential to realise the ambition of 20 years ago for an enlarged atrium updated to current circumstances. Meanwhile, the Trust became aware that the additional land, that had originally been part of gardens for the Trust's properties and some adjoining properties, was available for purchase.

Scheme Name	Description
Option 1 - Do Nothing	The Trust would continue its operations as they currently are without the additional land or the extension. It is expected that, at best, an ongoing operational profit could be achieved but renewal/maintenance of heritage asset would become increasingly difficult. At worst, if the visitor profile is not changed incomes would begin to decrease resulting in an unsustainable financial position.
Option 2 – Repair the Glass and deliver Marketing Campaigns	The Do Minimum scenario would be based on campaigns to attract more visitors. There have been similar campaigns in the past but have often relied on discounts which makes little

	difference to the financial return and no difference to the visitor profile. This option would also see the glass repaired
Option 3 – Redevelopment of 78 Derngate.	The main option considered has focused on the potential to realise the ambition of 20 years for an enlarged atrium, secure adjacent land to develop the Learning Garden and make important improvements to layout and fittings that will help attract greater numbers of visitors to the building.

Options Shortlisting

To develop a short list of potential options to appraise, a sifting process was undertaken following consultation with stakeholders. A simple matrix was used to summarise and present evidence on options in a clear and consistent format. This matrix utilises a 4-point red/amber/green (RAG) scoring system for each of the assessment areas, which facilitates the early assessment and comparison of scheme options. A scoring range was used to establish the influence and effect each option would have on key core issues, which included Strategic Fit, Benefits optimisation, Achievability and Affordability. Using these criteria, the various options and resulting scores are illustrated below. These schemes are considered individually for the purposes of a comparative assessment; however, the better performing options could be packaged in due course as part of further evolution of the Scheme should this achieve multiple complementary benefits.

Option	Strategic Fit	Benefits Optimisation	Potential achievability	Potential Affordability	Impact on 78 Derngate
Option 1 - Do Nothing	0	0	0	5.0	This option does not help 78 Derngate address the issues it is currently facing
Option 2 – Repair the Glass and delivery Marketing campaigns	3.0	2.0	4.0	5.0	This option would see low level benefits being achieved and sub-optimal improvements to the build fabric
Option 3 – Redevelopment of 78 Derngate	5.0	5.0	5.0	5.0	This option provides the Trust with the opportunity to improve the commercial offer of

					78 Derngate. and address areas of the building in need of renewal.
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Options Appraisal – Short List

The purpose of the business case is to establish an intervention option that supports the commercial and cultural offer 78 Derngate makes to its visitors and tourists and its presence within Northampton Town Centre. Local partners have progressed discussion on the options and have agreed that the final preferred option should assist the Trust to make improvements that will address commercial, educational and social objectives.

- **Option 1: Do nothing (reference case)**

Without support from the Towns Fund there would only be limited ability to address 78 Derngate’s opportunities. The project would therefore not proceed. The Trust have the ambition to deliver the improvements but are unable to invest and welcome Towns Fund. Without the Town Fund investment, it would not be possible to develop an innovative integrated programme of solutions, which are designed to improve the performance of 78 Derngate for residents and importantly increase its attractiveness to visitors to the Town.

Without investment through the fund 78 Derngate would be susceptible to further physical decay and reduce the buildings appeal to visitors. Importantly this would also lead to a unique national asset becoming less viable as a commercial operation.

- **Option 2: Repair the glass and deliver Marketing Campaigns**

This option would involve the Trust undertake a number of local marketing campaigns to attract more visitors. The Trust have undertaken similar campaigns, however the experience of doing this points to limited difference being made to the financial return nor visitor profile.

Option 2 is deliverable and affordable. However, it would not resolve any of the issues the Trust faces, nor would it help the Trust seize any of the opportunities available to 78 Derngate.

- **Option 3: the redevelopment of 78 Derngate**

This option focuses on addressing the opportunities that will enhance 78 Derngate’s ability to attract a greater number of visitors and play an important educational role. This Option will improve the commercial standing and increase the building’s contribution to Northampton Town Centre. Specific improvements. The investment will provide increased commercial floor space, release new visitor areas, increase exhibition space and improve the retail area. The Trust will be able to introduce a new tearoom which will increase the capacity of the restaurant. A new extended ‘Learning Garden’ will be added to enhance learning facilities, while new flexible use spaces for corporate hire and weddings. Further improvements will be made to improve independent disabled access and replace areas in need of urgent repair.

The Preferred Case

Following options evaluation workshops, local partners and stakeholders quickly discounted Options 1 and 2, due to the limited impact it would have on 78 Derngate.

Option 1 the reference case was quickly dismissed as 'doing nothing' is recognised as not going to address arrest the issues facing the building and miss the opportunity to improve the commercial performance.

Option 2 was also dismissed, as based on experience it would not create a long term difference to the performance of 78 Derngate. Previous experience has found that only limited change could be achieved. This has led the Trust to explore how a combination of projects could enhance the building and increase the number of income generation schemes.

Option 3 enables the Trust to address all of the issues and opportunities that have been scoped out in the Strategic Case. Option 3 will deliver a range of improvements which will enhance both the facility and make a larger contribution to the operation of Northampton Town Centre. The Trust has been identifying material and contractors so that delivery can commence once funds have been confirmed. The project is a low-risk project and the funds will make a significant difference to the performance of 78 Derngate as a community facility and as a unique historic environment.

Given this scenario, once the project has been completed, displacement may be higher than the reference case. For the purposes of modelling, this has been assumed at 5%.

Unintended consequences

The project has been appraised for any beneficial or adverse collateral effects and unintended consequences. The analysis revealed that the project will not have any negative effect on individual groups within Northampton, indeed investment will make 78 Derngate more accessible and more inclusive to disabled visitors.

3.5 – Appraisal Modelling Assumptions

The following assumptions have been made in modelling;

Benefits Criteria:

The benefits criteria were developed using a range of criteria, the core benefits were calculated using accepted national benchmarks, triangulated wherever possible with secondary data, to provide additional robustness.

- ***GVA benefits:*** GVA benefits have been modelled over a 10-year period.
- ***Fiscal costs:*** The fiscal benefits from the project have been calculated – in terms of PAYE and NI from new jobs. This has been used to offset the public costs to give a net fiscal cost/benefit over a 10-year period.
- ***Build costs:*** The build costs have been adopted as advised by CS2 Chartered Surveyors. The costs include an allowance for demolition, preliminaries and contingencies. Construction costs for the preferred Option stand at £881,000.

- **Purchaser's costs:** Purchaser's costs have been included at £65,000 for the additional land required to deliver the project.
- **Contingency costs:** a contingency of £80,000 has been identified.
- **Professional fees:** professional fees of £50,000 have been allocated to delivering the project.
- **Return on capital employed:** The HCA has summarised the different methodologies and developed some standard benchmarks of their own for selected land and property interventions. Their work shows the range of gross cost per net job figures expressed in terms of total gross public sector expenditure against total net additional job outputs. Net additional jobs are based upon a sub-regional level of analysis.

The review identified the cost per net additional job created or safeguarded range of £28,700 to £51,000 for regeneration and property development projects with a mid-point in this range of £39,850. The benchmark range is based on historic evidence. The figures here reflect the actual outcomes associated with projects and will therefore take account of possible cost overruns and any shortfall in the delivery of expected outputs.

For the purposes of evaluating the impact of the various options under consideration in this case, HCA benchmarks have been used, using the low value of **£28,700** to evaluate the preferred case. This value best reflects the current employment market within Northampton based on research conducted on salary levels available from Job Centre Plus and wider data available for West Northamptonshire/Northamptonshire.

- **Indirect Jobs created and safeguarded:** The HCA has published coefficients for the number of workers required over one year to deliver £1m of construction investment. As this focuses on output as opposed to spend, the resulting labour requirements of using spend will be an approximation. The HCA suggest every £1m of construction investment will deliver 10 new jobs. The forecast job number is based on national guidance.
- **Monetised benefits:** all benefits have been monetised and that there are no additional included within the economic appraisal.
- **Disbenefits:** there are no disbenefits foreseen as a result of investing in the project. The project focuses on improving the performance of 78 Derngate which is an asset within Northampton Town Centre and a key part of its heritage offer.
- **Equality impact:** the project and the overall ethos of 78 Derngate is to serve the wider community irrespective of age, disability or ethnicity. Therefore do not see impact favouring or negatively impacting one community over all others.
- **Profit:** No developers profit has been assumed.

3.6 – Economic Appraisal Report

In preparing the Economic Appraisal a Cost Benefits Analysis of Option 2 has been conducted and the individual project elements which form the wide project.

Preferred Option – Benefits

- **Employment impact**

Delivery of Option 2, the Preferred case will generate benefits of £1,191,050 in additional GVA, and support 24 jobs within 78 Derngate over a 10-year period from as set out below.

Employment benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Office jobs	0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	17.5
Retail jobs	0	0	0	0	0	0	0	0	0	0	0
Construction jobs	10	0	0	0	0	0	0	0	0	0	10
Total jobs	10	0	0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	24.5
GVA per job	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	
Direct GVA generated	£287,000	£100,450	£100,450	£100,450	£100,450	£100,450	£100,450	£100,450	£100,450	£100,450	£1,191,050
Supply chain (assumed within GVA per job figure)	0	0	0	0	0	0	0	0	0	0	0
Induced (spend) (assumed within GVA per job figure)	0	0	0	0	0	0	0	0	0	0	0
TOTAL gross GVA	£287,000	£100,450	£1,191,050								

Fiscal benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
No. jobs	20	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	
Average salary per job (2019 inflated to 2021)	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	£28,700	
PAYE tax uplift	£3,240	£3,240	£3,240	£3,240	£3,240	£3,240	£3,240	£3,240	£3,240	£3,240	
NI tax uplift	£1,435	£1,435	£1,435	£1,435	£1,435	£1,435	£1,435	£1,435	£1,435	£1,435	
TOTAL payroll tax uplift	£93,500	£16,363	£240,763								

- **Sales benefits**

The preferred option will assist the Trust in generating additional income to secure 78 Derngate for the longer term. Income forecasts have been developed by using previous years performance. Further work has been done to consult with other local heritage attractions such as Delapre Abbey to understand the potential for conferencing, events and weddings. This has enabled the Trust to build a pragmatic and conservative income generation profile. The Trust is confident that once the project has been delivered, a total income of £54,000 per annum will be achieved.

The sales benefits have been calculated on two elements, these being:

- Museum and Dining Room sales
- Commercial sales in relation to letting space

Through the modelling a 10-year GVA increase has been forecast at £551,000.

Fiscal benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total	
Sales - Museum and Dining Room	£0	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	
Total Sales	£0	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£54,000	£486,000
Commercial sales - Museum	£0	£5,000	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£7,500	£65,000
VAT Generated	£0	£11,800	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	
Total	£0	£10,800	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£12,300	£109,200
TOTAL Benefits	£0	£59,000	£61,500	£551,000								

- **Education benefits**

The additional space and the Learning Garden present opportunities to provide educational activities. The modelling has used the Greater Manchester Combined Authority Unit Cost Benefits Analysis model (2019). The benchmark used equates to the NVQ Level 2 Qualification - annual fiscal and economic benefits. This is valued at £515 per learner and is an appropriate benchmark level for the support 78 Derngate will be able to offer. The model assumes 75 learners once the investment has been made. This will generate £286,855 in GVA benefits over the 10-year period. The benefits appraisal also includes a total of 91 businesses being supported by the Trust. This support will be provided to other cultural sector operations. Calculations have been based on a conservative £1875 per business using a benchmark from <https://www.experian.co.uk/blogs/latest-thinking/small-business>.

Education benefits	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Number of participants	0	10	20	20	20	20	20	20	20	20	170
Value of education per person	£515	£515	£515	£515	£515	£515	£515	£515	£515	£515	
TOTAL benefits generated	0	5150	10300	38625	115875						

Businesses supported	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Number of businesses	0	5	9	11	11	11	11	11	11	11	91
Value of support per business	£1,875	£1,875	£1,875	£1,875	£1,875	£1,875	£1,875	£1,875	£1,875	£1,875	
TOTAL value	£0	£9,375	£16,875	£20,625	£170,625						

3.7 – Summary of Impact Appraisal – Key Findings

Appendix 10 shows the the detailed assessment of the Preferred option. The forecasts indicate that the preferred option would deliver up to £1,718,128 of additional impact by 2030 (after Deadweight, Displacement, Leakage, Substitution and Multiplier Effects) as 78 Derngate benefits from investment. Thereby delivering Net Present benefits of £2,151,726 and a Public Value for Money BCR of 2.6:1.

If the project did not proceed, the Trust would not be able to deliver significant improvement to the fabric and services of 78 Derngate. Investment through the Towns Fund will provide an opportunity to create additional services, which would strengthen the Trust and the fortune of this unique heritage attraction located in Northampton Town Centre. The fund provides the opportunity to create an environment that can break the current cycle where market led solutions are unviable and have not therefore been forthcoming. Investment through the Preferred Option 2 will provide a new platform and help effectively reposition 78 Derngate and contribute to a more

vibrant Town Centre for residents, visitors and local businesses. The investment will therefore pave the way for a new future, for 78 Derngate.

3.8 – Analysis of Monetised Costs and Benefits (AMCB)

Total net additional benefits	Preferred Option (NPV, 2021-22 prices)
Benefits for the BCR	
Land value uplift (LVU)	£m
Wider LVU	£m
Amenity value	£m
Air quality (if applicable)	£m
Transport benefits (e.g., time savings)	£m
Other applicable and robustly evidenced benefits*	£1,718,128
Total benefits for the BCR (A)	£1,718,128
Costs	
Towns Fund/funding (B)	£400,000
Co-funding local authority cost (including borrowing) (C)	£250,000
Total cost (Towns Fund + Co-funding) (D)	£650,000
Private sector cost (E)	£318,000
BCR calculation formula	2.6:1

The Analysis has identified that the project will deliver a **Net Present Social Value of £1,056,718** over a 10-year period.

4 – FINANCIAL CASE

The Financial Case assesses the affordability of the investment, identifying cost, revenue, and funding sources, with the level of detail should be proportionate to the size of the project.

4.1 – Introduction

This financial case is to assess the affordability of the investment, identifying cost, revenue and funding sources for the 78 Derngate project extension to the atrium at 82 Derngate and purchase and development of the land to the south as a garden, with £400,000 of investment from the Towns Fund and a total project cost of £900,000.

4.2 – Approach to the Financial Case

At an early stage a number of funding options were considered and ruled out, namely commercial loans (ruled out on cost and possible inability to secure), share capital issue based on the support of Friends and community (ruled out due to complexity and not a model common to the charitable sector and hence too much risk), grant from the Heritage Lottery Fund (dismissed by the Heritage Lottery Fund at the time due to their policy of not funding new build), grant from the Architectural Heritage fund (possible but also not their core funding programme). An approach was made to the local council who after a year generously granted a capital sum to be matched by the Trust. It was decided to do this in a mix of ways including local events, raffles, donations from individuals and applications to charitable grant giving bodies. The principal drive was to aim for grants rather than loans and ensure that all funding was in place or pledged prior to the start of construction, with only fees being spent upfront. Costs were calculated by quantity surveyors on the basis of architects drawings. As the time frame was short no inflation allowance was made for the capital expenditure other than a general contingency.

Type	Source	Total Amount
Public Sector	Towns Fund	£400,000
Public Sector	West Northants Council	£250,000
Private Sector	Charitable Trusts	£80,000
Fund Raising	Internal Resources	£195,000
Bounce Back Loan	Lloyds Bank	£43,000

4.3 - Costs

Capital Costs

In June 2020, 78 Derngate went out to tender on the atrium extension and had two main contenders for the work. Unfortunately the lowest tenderer was above the existing budget which is one of the reasons for the Towns Fund to close the gap. These prices were acceptable for the contractors until October 2020. For budgeting the midpoint has been taken between the two lowest tenderers, identified savings on budget of £25,000 and increased this price by 10% for building inflation. According to the website costmodelling.com the 'UK tender price and building cost indices' tender prices are considered to rise by 3 to 4% from the second quarter of 2020 to the second quarter of 2021. The mean average of the tenders was £530k less savings subsequently identified of £25k equals £505k plus 10% inflation (x3 forecast) £555k plus VAT equals £666k for the atrium works. The garden works are budgeted at less than £100k. Land

acquisition is a known cost at £65k. Most professional fees are known and are budgeted at £50k (all inclusive of VAT). A contingency of £80k has been budgeted for the project.

4.4 – Funding and Revenues

Source	Value	Uses	Value
Towns Fund	£400,000	Operating Costs and Management Fees	£90,000
Public Sector Co-Funding	£250,000	Development Costs	£881,000
Private Sector Co-Funding	£275,000	BBL Interest Paid and Prinicple	£44,000
Revenue	£100,000		
Bounce Back Loan	£43,000		
Total	£1,068,000		£1,015,000

As the project is wholly capital in nature, revenues are from the scheme start when the project is completed. Funding options have been described in the approach to the financial case. It is the case that all necessary funding has been secured or pledged prior to any construction contract being committed.

The build time is anticipated to be 12 months or less and as all funding is secured the need to profile this becomes redundant.

The Bounce Back Loan from Lloyds Bank is drawn down at the start of the project. It is anticipated that this will remain in place for the duration of the build contract but will then be repaid in full if it is not required as a contingency.

4.5 - Affordability Assessment

The cash flow forecast assumes a breakeven visitor figure of 7000. Prior to COVID-19 the method of budgeting was based on a 7500 breakeven. The reason for the fall in the figure is a change in VAT status from January 2021. The entrance fee is now exempt, effectively increasing the admission charge. The figures do not reflect inflation. The assumption is that any cost inflation will be offset by price increases.

The only changes assumed in the forecast are at today's prices, reflecting the effects of having the extended atrium and garden, mainly events and gallery and shop on the income side and staffing on the costs. The forecast does not take into account other income generated for third parties.

P&L	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
General reserve b/f	30000	29300	59200	60200	63200	68200	73200	78200	83200	88200
Ticket sales	16000	56000	56000	56000	56000	56000	56000	56000	56000	56000
Sales VAT	20000	30000	35000	35000	35000	35000	35000	35000	35000	35000
Sales non VAT	8000	12000	13000	13000	13000	13000	13000	13000	13000	13000
Dining room rent	7000	12000	12000	12000	12000	12000	12000	12000	12000	12000
Room hire/ events	1000	2000	6000	8000	10000	10000	10000	10000	10000	10000
Donations										
Gift Aid	4000	10000	10000	10000	10000	10000	10000	10000	10000	10000
Friends donation	2000	6000	6000	6000	6000	6000	6000	6000	6000	6000
Grants	12000	18200								
Interest	500	600	600	600	600	600	600	600	600	600
TOTAL	70500	146800	138600	140600	142600	142600	142600	142600	142600	142600
Shop stock	8000	17000	19000	19000	19000	19000	19000	19000	19000	19000
Shop stock non VAT	4000	6000	6500	6500	6500	6500	6500	6500	6500	6500
Shop supplies	200	400	400	400	400	400	400	400	400	400
TOTAL	12200	23400	25900							
Wages	32800	48000	65000	65000	65000	65000	65000	65000	65000	65000
Vol exp	1000	2000	2000	2000	2000	2000	2000	2000	2000	2000
Staff travel	200	400	400	400	400	400	400	400	400	400
Training	200	600	600	600	600	600	600	600	600	600
Office costs	350	700	700	700	700	700	700	700	700	700
Telephone	1200	1700	1700	1700	1700	1700	1700	1700	1700	1700
Vol functions	400	800	800	800	800	800	800	800	800	800
Furniture	0	400	400	400	400	400	400	400	400	400
Computers	0	400	400	400	400	400	400	400	400	400
House consumables	400	1000	1000	1000	1000	1000	1000	1000	1000	1000
Marketing	2000	2500	3500	3500	3500	3500	3500	3500	3500	3500
Gallery shows	300	400	600	600	600	600	600	600	600	600
Fundraising										
Subscriptions	1200	1200	1200	1200	1200	1200	1200	1200	1200	1200
Other expenditure	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
TOTAL	41050	61100	79300							
Gross profit	17250	62300	33400	35400	37400	37400	37400	37400	37400	37400
Cleaning/ rubbish	4000	8000	8000	8000	8000	8000	8000	8000	8000	8000
Insurance	2450	4900	4900	4900	4900	4900	4900	4900	4900	4900
Water/ rates	200	2000	2000	2000	2000	2000	2000	2000	2000	2000
Electricity	4000	8000	8000	8000	8000	8000	8000	8000	8000	8000
Annual repairs and consumables	4000	6000	6000	6000	6000	6000	6000	6000	6000	6000
Bank charges	300	1000	1000	1000	1000	1000	1000	1000	1000	1000
Book keeping and audit	3000	2500	2500	2500	2500	2500	2500	2500	2500	2500
TOTAL	17950	32400								
Net profit	-700	29900	1000	3000	5000	5000	5000	5000	5000	5000

Sensitivity Assessment:

If visitor figures were to drop by 1000 per annum (14% fall), this would still enable the operation to continue and adapt within a year. Prior to COVID-19 typical visitor numbers averaged between 8500 and 9500 paying visitors. This could increase net profit per annum by £12- £20k. Should the growth ambitions of 78 Derngate be realized and visitor numbers increase by 10% this would produce additional revenue of around £8k to £16k.

Stakeholders include the 320 members of the Friends who pay an annual subscription and have regular newsletters about the house and activities. They organize fund raising and social events to support the Trust. The Local authority has an elected representative on the board and this has

so far been a member of the Cabinet. The present Leader is a former board representative of the Council. 78 Derngate are members of the local BID forum as well as the County Heritage Forum. There are very good connections with the former Chairman's family, the Barwells who are philanthropic, as well as the Trustees of the Constance Travis Trust and the George Cadbury Trust who take a keen interest in the house and its fortunes.

As there will be no major borrowings, the aim is to pay back the Bounce back loan at the end of the construction period, subject to no overruns. However, if this were not to be the case, the cost of servicing the fixed interest loan over the first five years of the cash flow forecast could be absorbed leaving general reserves level in year 2026 at circa £25200 and 2030 at £63200.

The following considerations have been applied via the Sensitivity Analysis.

- **Discounted rate:** a standard discount rate of 3.5% per annum has been applied in calculating future benefits arising from the investment.
- **Displacement:** The number/proportion of intervention outputs accounted for has been considered by reduced outputs elsewhere in the target area. As far as the various options are concerned, it is proposed there is clear evidence that Northampton Town Centre requires investment, and because of this, have assumed displacement of the reference case to be 10%.
- **Leakage:** There is a chance of leakage due to the fact that there is competition for elements of the project, such as the Dining Room, as a result it will mean the level of leakage will be relatively small. Because of this, a factor of 10% has been applied within the economic impact modelling.
- **Substitution:** In line with standard approaches to substitution, benchmarks suggest this is a negligible issue for this type of development.
- **Interest and Indexation Risk:** Interest and Indexation Risk has been applied at a rate of 1% to the economic analysis. This recognises the speed of delivery of the project which will complete in less than a year and with all significant costs contracted within the next three months.
- **Multiplier Effect:** Measures economic impact (jobs, expenditure or income) of an intervention is multiplied because of knock-on effects within the local economy;
 - Reference Case: As far as the reference case is concerned, the multiplier effect is considered to be zero;
 - Preferred Case (Option 3: the redevelopment of 78 Derngate): It has been forecast that the Multiplier Effect will take effect once investment has been made, which in turn should encourage new private sector investment into the Town Centre. It is anticipated that the improvements delivered through the Preferred Option will be a further signal of investment in Northampton Town Centre and that partners are proactive in delivering change.
- **Optimism bias:** The Green Book guidance has been used to identify a suitable level of optimism bias. The Green Book states that standard building projects are those which involve the construction of buildings not requiring special design considerations i.e. most

accommodation projects e.g. offices, living accommodation, general hospitals, prisons, and airport terminal buildings.

The calculated Optimism bias of 15.3% has subsequently been applied to the model.

These factors have now been applied to the various options under consideration and the CBAs been updated accordingly. It is suggested that the scheme will safeguard jobs within current operators in the Town Centre, these will be addressed appropriately.

Financial Risks

The project's major financial risk is related to the health of the general economy with COVID-19. Although visitor demand for 78 Derngate tends to be price inelastic, it is more sensitive to downturns in growth which were experienced in 2007/8 at the time of the banking crisis. The organization endeavours not to contract services for more than two-year periods, to ensure flexibility in the way procurement and staff are managed.

There is always the risk of the enterprise failing completely, which is always factored into any plans so as to ensure the survival of the house even if it were not to operate from the visitor centre. Therefore, any changes to 82 Derngate would ensure its commercial viability as a building.

A construction programme of 9-12 months means that the museum may need to close to visitors, affecting income. The project will be fast tracked for funding and delivery and can be phased to enable the disruption and impact to be kept to a minimum.

The current risk of price rises and supply of materials in the construction industry and any impact of programme delays will be managed by a single contractor tender with a JCT Standard Building Contract and associated over run penalties.

4.5 - Wider Financial Implications

The Council does not have a direct financial link with the Trust and the success or otherwise of this investment will not ultimately impact on the Council finances unless they specifically make a decision to fund the Trust. Therefore, the risk profile for the Council is minimal.

Accounting Treatment and Impacts will be determined by the Charity's Auditors. The Trust has already earmarked 2022 for a revaluation of its building assets which will impact on the balance sheet and ultimately the level of depreciation impacting on the revenue account.

The definitions of capital and revenue items is determined by the framework adopted by the auditors. The financial reporting framework is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

5 – COMMERCIAL CASE

5.1 - Introduction

The commercial case covers the commercial feasibility, contractual issues and high-level approach and the procurement strategy and key risks, including risk transfer strategy and mitigation plans and any constraints. This section sets out how it is intended to procure an extension to the present visitor centre, extend the garden to the rear of the property and how these will enhance the viability, sustainability and profitability of 78 Derngate for the future.

5.2 – Commercial Deliverability

Roughly a third of turnover is generated from a selling area of 12 m². From experience of the past 20 years there is a direct correlation to the number of visitors and the retail sales, and the same can be said regarding the range of goods displayed and level of sales. In addition, the layout of the visitor centre influences how much people spend. Typically, attractions have the shop as the last part of the visitor experience and until now it has not been possible to achieve this. The atrium extension with triple the floorspace for retail, increase the gallery size and force visitors to walk through the retail area, increasing retail sales and income.

The retail space will not exclusively for this purpose, but designed with mobile retail stands to allow for flexibility as will the gallery space at the first floor level. The terrace will also increase in size significantly allowing for more people to enjoy outdoor dining should the weather permit, private events and weddings and corporate hire. At basement level the space will enable the relocation of existing stock and provide for addition storage. All this will enable greater sales and more flexible use of space for the hire of the facility, which from previous recorded interest and a two year waiting list for gallery space is known to be in demand, maximising opportunity for increased income. With new units for craft makers coming on stream such as the Vulcan Works space in Northampton, 78 Derngate can be offered as an outlet for their products, directly assisting businesses in the town. In addition, discussions have been held with registrars about demand for unusual wedding venues. These discussions to assess demand and suitability continue. From 1st July 2021 the law allows outdoor wedding venues provided there is feasible plan B in the event of adverse weather conditions. The flexible layout of the additional atrium space provides such a plan B.

The contract for the build will be to industry standard, draw up by the Quantity Surveyor. Payments will be on monthly reports from the Quantity Surveyor as to completed work.

The overall project will be steered by the Company Secretary (experience of this twice previously), with the support of the Chairman of the Trust, a former director of an international property development and investment company. They will be supported by a volunteer whose profession is as an architectural technician. The Architect will be responsible for managing the contractor directly and there will be regular monitoring from the Quantity Surveyor alongside regular progress meetings during construction.

An inflation contingency has been built into the tender price of £50k and another £80k for the construction phase to cover unforeseen risk. Insurance will be in place to cover the existing buildings during construction as will the necessary insurance from the contractors.

5.3 – Procurement Strategy

The architect, as leader of the design team, was appointed through competition. All other members of the design team have been appointed through recommendation and subject to a satisfactory fee agreement. In most cases more than one practice has been asked to quote for the work.

The major cost element for the project is construction. A list of potential contractors was drawn up from recommendations from local contacts within the property industry. Selection criteria was based on proximity to the museum, track record of successfully completing works with heritage sensitivity and financial strength.

Each contractor on the list was given the opportunity to express an interest in bidding and offered an informal visit to the site with no commitment on either side.

Award of the contract will be by formal competitive tendering from a shortlist of four. Given that tenderers have to do a significant amount of work to put together a proposal it was agreed that a shortlist of four effected a balance between getting a competitive price and avoiding some tenderers dropping out.

Tenders will initially be assessed by the architect and the quantity surveyor. They will be assessed on adherence to the design, realism of the tendered price, proposed programme of works and financial strength.

The subsequent contract negotiated with the successful bidder will have an appended pricing schedule. The contractor will issue invoices for stage payments. The quantity surveyor will check the work done to ensure compliance with said payment schedule. Payments will only be made upon authorisation by the quantity surveyor.

There are four major risks to the project at this stage:

1. The initial price is too high. If this happens there will need to be a further value engineering exercise with the chosen contractor to bring the cost down.
2. Price escalation outwith the project. This can be mitigated through clear and timely communication in line with the principles of good project management backed up with a healthy contingency.
3. Poor performance by the contractor. This is rarely entirely the fault of the contractor so mitigation relies upon good project management and the Trust being a good client.
4. The contractor goes into liquidation. This is mitigated by careful assessment of the financial strength of the contractor before award of contract.

There is one known risk that is being addressed. The design has been based on Pilkington's Planar structural glass. The Trust is attempting to get prices for alternatives from Germany, Italy and Switzerland. It has also asked a UK based structural glass supplier that gets glass from a range of manufacturers for a budgetary price and lead times for glass to satisfy the project's requirements. Any information gleaned from this process will be shared with the successful tenderer.

The programme of works can be found in Appendix 11.

5.4 – Wider Considerations

There are two wider considerations that may have an impact on the project. The first is COVID-19. The best case scenario is that as the vaccination programme is rolled out the disease whilst endemic reduces in severity for individuals and society, at least within the UK, returns to a pre-pandemic state. It is likely that this will happen eventually.

The worst case scenario is that as the virus mutates and creates new variants it becomes more transmissible, more severe and vaccine resistant. Most of the evidence published by the government suggests something between the two with possible winter restrictions being necessary but with society largely returning to normal. The contractors have worked throughout most of the pandemic and have become used to adapting working practices to maximise safety whilst remaining operational.

The second wider impact is the availability of materials. There is evidence of some building materials running becoming into short supply. This is a result of two things: the scale of the HS2 project sucking up a large volume of materials and suppliers of some materials still trying to catch up with pent up demand having been unable to manufacture during the first lockdown. This may affect price and/or programme.

Subsidy Control comments can be found in Appendix 12.

6 – MANAGEMENT CASE

6.1 - Introduction

The Management Case assesses the deliverability of the investment, identifying timescales and project responsibilities, building on the delivery plan outlined in the TIP for the 78 Derrigate scheme and proportionate to the size of the project. It also identifies the key stakeholders and include a strategy and plan laying out a programme of stakeholder engagement activities that will help deliver the project.

This project is at an advanced stage in planning so this management case will review how the project has been managed to date and how it will be managed until completion. The Trust has appointed a steering group to provide project oversight whilst the day-to-day management of the project is vested in the professional team led by the Architect using the RIBA Plan of Work (2020). Stages 1 – 3 are complete. Stage 4, Technical Design, is almost complete with only some outstanding building control issues to address and the tender process is due to commence.

The RIBA Plan of Work is an industry standard that has been in use for several decades and is constantly reviewed and periodically revised considering experience gained in practical use.

6.2 – Project Organisation and Governance

The project management of the extension will be undertaken by the 78 Derrigate Trust and their appointed consultant team. The team have a demonstrable track record of delivering capital projects of a similar value.

The project team is made up of trustees, architects, quantity surveyors, structural engineers, mechanical and electrical engineers and construction contractors.

The table below shows the key participants, roles, accountability, and responsibilities of each of the participants to date through to completion of the project.

Participants	Role	Accountability	Responsibility	Resourcing Strategy
Trustees	Project initiators and oversight	Overall accountability and responsibility for the Trust's actions	Overall accountability and responsibility for the Trust's actions	The trustees consist of 7 volunteers with a mixture of skills and backgrounds ranging from the law to planning and business. The Board has one vacancy at present and is supported by the Company Secretary and House Manager who attend all quarterly meetings.
Steering group	Client on behalf of the Trust	To Trustees	To work with the design team to bring the project to fruition	The steering group is made up of two trustees (chair of the Trust and Chair of the Friends organisation) plus the company secretary

				supported by a retired voluntary planner/architectural technician.
Architect MWK	Lead Designer	To Trustees via steering group	Obtain planning permission for a design acceptable to the Trust and manage the construction phase.	The architect is a small local practice familiar with the attraction that has considerable experience working on heritage sites and with the public sector particularly schools.
Quantity Surveyor RLF	Cost consultant	To the Trust	Preparing, negotiating, and analysing costs for tenders and contracts. Advising on a range of legal and contractual issues. Valuing completed work and arranging for payments.	RLF is a large property consultancy with offices throughout the country. A partner with a wealth of experience, who has worked with the Trust Chair previously, has been allocated to the project.
Structural Engineer JPP	Structural design	To Architect	Calculation of loads and stresses and provide input into the design to ensure structural safety and longevity	The engineers were appointed after a tender competition and were the engineers who worked on the previous successful renovation of 82 Dergate.
Mechanical and electrical consultant D&D	Consultant to design team	To Architect	Create M&E specification to be part of the tender package	The company D&D consulting were the recommendation of the architect to provide an M&E specification to reduce uncertainty and thus strengthen the tender process.
Construction Contractor	Construction	To Architect and QS	Build extension and landscape garden as designed	The trustees have gone to 4 contractors, and have a reserve, to gain a competitive price through tender. Three of the four are very local to the town with the other being from Oxford. All four have come through recommendations.

Northampton Forward	Oversight and support	To West Northamptonshire Council and MHCLG	To ensure the project meets the objectives of the TIP	
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West Northamptonshire Council

West Northamptonshire Council will oversee the delivery of all Towns Fund projects and manage the programme of activity.

West Northamptonshire Council's projects team has a strong and demonstrable track record in delivering major, transformational projects. The Council has put in place the arrangements for successful delivery of the interventions, including: a robust governance structure, risk and change management plan, and a system for monitoring and evaluating post-delivery benefits.

The Northampton Forward Board acts as the Programme Delivery Board and the Town Deal Board for West Northants.

Northampton Forward is an informal partnership with the primary role of coordinating and driving forwards the integrated regeneration and growth within Northampton, including Northampton Town Centre. It acts as the Town Deal Board for Northampton and shall be responsible for establishing a strategy and delivery framework for the future development to achieve this vision. The delivery of the regeneration framework shall be carried out by Northampton Forward's core partners – West Northamptonshire Council, South East Midlands Local Enterprise Partnership, The University of Northampton, Private Sector Representatives, Northamptonshire Police, Northamptonshire Chamber of Commerce, Royal and Derngate, Community Representatives, Northampton Town Centre Business Improvement District and other Partners as and when needed.

The Council will have a dedicated internal team to oversee and monitor the project, this will include:

- Project Sponsor
- Client Project Manager
- Programme Manager

Monitoring and Oversight

West Northants Council is the Accountable Body for the project. As the Accountable Body WNC will be responsible for discharging all obligations with MHCLG. WNC will be responsible for overseeing the financial management and accountability monitoring of the project.

Regular monitoring will be undertaken, and the project team will comply with all requests from the Council for information regarding the progress of the project. This will include a project monitoring form which is required quarterly. The monitoring form will record information on expenditure and the progress being made towards delivery of the outputs as well as risk management and communication plans.

A full evaluation of the project will be carried out once completed to inform lessons learned as well as presenting the output information to Government.

Representatives from the Council and Government will have the right to inspect the project and all information.

All reporting information will be report into the Council's Capital and Assets Board which monitors all capital projects being undertaken. The Northampton Forward Board will also receive the same updates as the Board responsible for the strategic direction of the regeneration activity in Northampton and the Town Deal Board.

Trust Governance Responsibilities

In terms of project governance arrangements, the steering group consists of the Chair of the Trust, the Company Secretary, and a volunteer. The Chair of the trust was formally a director of a property development company operating internationally. The company secretary was the de facto clerk of works during the restoration of 78 Derngate and the remodelling of 80 and 82 Derngate. The volunteer is an experienced architectural designer. They have delegated responsibility to take the client role in the project whilst providing progress reports to trustees. Any trustee, if concerned, can ask for a particular element to be discussed by all trustees. The following need formal approval of the trustees:

- The budget for the project.
- Appointment of Architect/Lead Designer
- The design to be submitted for planning permission.
- The chartered surveyor's valuation of the land to be purchased.
- The proposed construction contractor.

The Trust's Chair and the Company Secretary have frequent informal discussions about budgetary matters and are responsible for ensuring any other matter that might be of concern to the trustees is raised with them.

Whereas there is a free flow of information and ideas between the steering group and the design team all formal instructions from the Trust are conveyed to the Architect by the Company Secretary.

6.3 - Assurance

The Trust is too small, with only one full time member of staff, to have an internal audit department so the classic 3-line model is not viable in such circumstances. However, the Trust has a range of volunteers from a variety of professional backgrounds who are actively involved in the work of the Trust and frequently make observations, raise concerns, and provide advice which goes some way to fulfilling such a role albeit informally.

The Trust is a registered charity and a company limited by guarantee as such it must provide annual reports and audited accounts to both the Charity Commission and Companies House.

As part of the Towns Fund funding, a grant funding agreement will be issued to the Trust from the Council. This will set out the terms and conditions of the grant funding, including monitoring and oversight, review and payment milestones. Quarterly project updates will also be required which will be reviewed by the Council's Capital and Assets Board and the Northampton Forward Board, performance of the project will be monitored against the milestones set out in the grant funding agreement.

6.4 – Scope Management

This is covered under Project Organisation and Governance above.

6.5 – Schedule Management

The forward programme is included in Appendix 11.

6.6 – Risk and Opportunities Management

Risk, as related to this project is covered in the Strategic Case and in the detailed Risk Register included in Appendix 6.

To minimise construction risk, the Trust will go out to tender with four local companies, with a fifth in reserve.

The initial tender evaluation will be performed by the Quantity Surveyor with input from the Architect. To minimise construction risk the Trust expects the tender evaluation to address the following in addition to legal and contractual issues:

- **Quality:** Does the tenderer have a track record of good quality delivery? Does the contractor appropriately address the design? How does the tenderer propose managing the work to minimise disruption to the ongoing operation of the museum and the Dining Room?
- **Time:** Is the tenderer's proposed timescale acceptable? If a short time to completion is proposed, is it realistic? If a longer than expected timescale is proposed, are the reasons for this fully justified and are acceptable to the Trust?
- **Price:** Is the tenderer, at the time of bidding, likely to be financially viable throughout the length of the contract? Is the variation between the contractors large? If so, why is this likely to have happened? Has the tenderer proposed any alternative approaches/materials/solutions that may bring down the price without adversely affecting the integrity of the design? Does the trust have the money to enter a contract at the proposed price? Does any proposed payment schedule meet with the Trust's anticipated cash flow?

6.7 – Project Management

In all projects there is a tension between quality, time and cost. The Trust's approach to Project Management starts with careful planning of the work to be done and thus manage these tensions. Now that planning permission has been achieved the bulk of this planning work will be done by the chosen contractor with the input of the professional team, led by the architect, and approved by the trust.

To deliver the plan it is imperative that roles and responsibilities are clearly defined and that all parties understand the scope of their responsibilities and limits to their authority.

Again, the plan will incorporate regular site meetings for coordination and monitoring purposes. It is inevitable that there will be problems along the way and a clear approach to how they will be addressed will be included in the detailed planning.

The Trust will be looking to that accurate, timely and complete data are available for planning, performance monitoring and final assessment and that this is clear, open and shared in a timely manner. The Trust is committed to achieving the aims of the project on time and within budget. The project is being managed using the RIBA Plan of Work (2020) which describes the key tasks, processes and information exchanges at different stages of the project. This has eight stages:

1. Strategic definition
2. Preparation and briefing
3. Concept design
4. Spatial co-ordination
5. Technical design
6. Manufacturing and construction
7. Handover
8. Use

Stages 1 – 3 have been completed. Stage 4 is complete except for some building control issues that need resolution but are expected to be resolved by 4th June 2020. Summary of the elements at each stage of the plan of work is attached as Appendix 14.

6.8 – Stakeholder Engagement

Stakeholder engagement up until now is summarised in the Strategic Case. When the Trust is ready to enter a contract and a planned completion date is agreed, the Trust will send a progress report to all funders.

Engagement with neighbours and nearby residents during the construction phase will be dealt with jointly with the contractor as part of the Construction Management Plan.

6.9 - Benefits, Monitoring and Evaluation

The project has four measures of success:

1. Increased visitor numbers.
2. Increased income.
3. More diverse visitor profile; and
4. Greater variety and local arts and crafts makers exhibiting.

The project process thus far has been iterative: proposal, feedback, modification, proposal, feedback and so on until an agreed design has been approved.

Benefits Realisation Plan (Benefits Register)

<i>Performance Measure</i>	<i>Timetable for Achievement</i>	<i>Method to Review</i>	<i>Lead</i>	<i>Beneficiary</i>
Increased number of visitors to 78 Derngate	December 2022 (6 months post completion of project)	Comparison against previous years visitors' numbers (prior to COVID)	78 Derngate Trust	78 Derngate Trust Wider Economy

Increased Income to the Trust	December 2022 (6 months post completion of project)	Comparison against previous years cash flow (prior to COVID)	78 Derngate Trust	78 Derngate Trust Wider Economy
Broader and more diverse visitor profile	December 2022 (6 months post completion of project)	Comparison against previous years visitors' numbers and profiles (prior to COVID)	78 Derngate Trust	78 Derngate Trust Wider Economy
Greater variety and local arts and crafts makers exhibiting	August 2023 (12 months post completion of project)	Comparison against previous years events bookings and exhibits (prior to COVID)	78 Derngate Trust	78 Derngate Trust Local Small Business Local Population Wider Economy
Improved footfall numbers in the Town Centre	August 2023 (12 months post completion of project)	Comparison against footfall data collected by the BID and the Council	WNC	Local Small Business Local Population Wider Economy

After the project is completed, the following will be conducted:

- A review of the benefits detailed to assess whether they have been achieved. This will measure the project's achievements against the baseline and target data. This will be reviewed 6, 12 and 24 months after project completion
- A survey assessment with residents, businesses and other key stakeholders to establish their views on whether success has been delivered
- A review of the capital costs to confirm that the capital costs were robust and adhered to

Monitoring and Evaluation Plan

There will be three formal reviews:

1. A formal review of the project performance led by the Architect as part of Stage 6, Handover, of the RIBA plan of work. This will provide a short report on five elements:
 - Design review,
 - Building visit walkabout,
 - Feedback from staff and volunteers,
 - Collation and analysis of energy and water usage,
 - Thermographic survey

2. An after-action review by the steering group to report to the Trustees. This will look at the delivery of the physical elements of the project and will consider:
 - What was the intended to happen?
 - What did happen?
 - What explanations are there for the differences?
 - What lessons can be learned?

3. An impact evaluation by the Trust of performance against the four measures of success. This will take place after a full 12 months of operation once the new facilities are in use. It will use trading year 2019 as a baseline. However, good performance is against the measures of success, the Trust will consider what other variables might have influenced the results and what actions can be taken to further improve them.

SUMMARY DOCUMENT

General conditions table
TIP improvement condition <i>Set out TIP improvement conditions as agreed in Heads of Terms</i>
Evidence <i>Provide evidence of how conditions have been addressed</i>
Public Sector Equality Duty (PSED) <i>Provide a summary of programme-level PSED analysis</i>
Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer

Project Summary Table

Project Summary Table					
<u>Project name</u>					
Business case appraisal					
<i>Provide details of how the business case has been appraised</i>					
Is this project being fast-tracked?					
Total project value (£, million)					
Towns Fund funding allocated (£, million):					
Outputs					
<i>Provide a list of the final projected outputs, they must be clear and quantified</i>					
Outcomes					
<i>Provide a list of the final projected outcomes, they must be clear and quantified</i>					
Cost-benefit projection (for example BCR or NPSV)					
Public match funding					
<i>Provide the total (£, million) and breakdown of sources</i>					
Private match funding					
<i>Provide the total (£, million) and breakdown of sources</i>					
Nominal Financial profile (£, million)					
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Actions taken to address project conditions					
<i>Provide details of actions taken to address any conditions that were attached to the project, where the condition was to provide a delivery plan this should be inputted in the section below</i>					

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Delivery plan

Including details of:

- *partnerships*
- *timescales*
- *planning permission and other milestones*
- *interdependencies*
- *risks and mitigation measures*

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Monitoring and evaluation plan*

Provide details on:

- *how spending and delivery will be monitored against expected milestones and outputs and outcomes*
- *what Key Performance Indicators will be used?*
- *arrangements for sharing of data*
- *the levers that are available to address any performance issues*
- *who will be responsible for evaluating success*

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Signature of Town Deal Board Chair and accountable body's Chief Executive Officer or S151 Officer

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