

WEST NORTHAMPTONSHIRE COUNCIL CABINET

23RD SEPTEMBER 2022

**CABINET MEMBER RESPONSIBLE FOR ECONOMIC DEVELOPMENT, TOWN
CENTRE REGENERATION AND GROWTH: COUNCILLOR DANIEL LISTER**

Report Title	Towns Fund: 24 Guildhall Road Phase 2 Works
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List of Appendices - Exempt from Publication

Appendix 1 – 24 Guildhall Road Phase 2 Business Case EXEMPT
Appendix 2 – 24 Guildhall Road Phase 2 Subsidy Control Advice EXEMPT

1. Purpose of Report

- 1.1 The report provides an update on the refurbishment project for 24 Guildhall Road, Northampton. It sets out the completed construction works undertaken for Phase 1 and confirms the proposals for implementing the Phase 2 of the project.
- 1.2 The project is now ready to move into Phase 2, which include plans for the conclusion of the remaining building refurbishment. /
- 1.3 Phase 2 works will include works to the external fabric, mechanical and electrical upgrade to the whole building premises, completing entrance and common areas serving the building and the Northampton Museum (including compliant access arrangements), completing aspects of refurbishment of areas to be leased to Northampton Arts Collective Limited (NNCA), and will refurbish the two upper floors of the building, which have not been undertaken in Phase 1.
- 1.4 The report requests approval of the business case to draw down on £1.75m from the Northampton's Towns Fund grant allocation, and will set the combined Phase 2 project Budget at £3.25m (including £1.5m WNC capital borrowing which was approved by Full Council in February 2022 as part of the authority's budget setting process).
- 1.5 The report requests delegation of authority to the Assistant Director of Place Shaping to appoint a Principal Contractor following a compliant procurement process to undertake the works.

2. Executive Summary

- 2.1 The 24 Guildhall Road project is being delivered in two phases due to the funding timeframes, and resultant constraints.
- 2.2 Key spaces of the refurbished building are to be occupied by the council's anchor partner Northampton Arts Collective Limited, who operates under its trade name of NN Contemporary Arts (NNCA). Heads of terms are agreed for a 25 year lease at a peppercorn in relation to space on the lower ground, upper ground and first floors on the building, and the organisation will enter the lease at an appropriate time to coincide with the relevant section of NNCA refurbishment completing.
- 2.3 The council has a Partnership Agreement (Collaboration Agreement), dated in October 2021, which covers the relationship between the organisation and the council. The council meets regularly with NNCA at both operational and Executive levels in relation to the agreement and partnership workings.
- 2.4 Works to the planned NNCA occupation was prioritised in Phase 1 in order to leverage and meet the Getting Building Fund (GBF) deadlines and meet the grant objectives. Successful Implementation of Phase 1 enabled a substantial element of the 24 Guildhall Works to be achieved in August 2022.

- 2.5 Phase 2 is funded by a further successful award through the Towns Fund of £1.75m and agreed £1.5m capital borrowing (agreed at WNC's Full Council February 2022). The total Phase 2 budget is therefore confirmed as £3.25m.
- 2.6 There are substantial design elements for Phase 2 of the project, and the Council has procured and appointed a professional and design team to lead the works under the oversight of the Council's Project Manager. Works to date include an initial scope, arrangement drawings, and a cost plan that has been worked up in conjunction with officers of the Council for Phase 2. This cost plan has informed the Business Case, this report and general project planning.
- 2.7 NNCA is to appoint its own designer and client advisory to integrate their design their remaining interiors spaces, and this will be funded by the project budget. This has been agreed by the Council and is outlined how this is implemented in this report.
- 2.8 The next stages of the Phase 2 capital project are explained herein including the project governance process, the procurement process for a principal contractor and the delivery programme in line with the Towns Fund Funding milestones.
- 2.9 The Phase 2 works include completing of some spaces that are not yet complete within NNCA's demise, full refurbishment of the two upper floors (outside of the NNCA demise), and extensive works to the roof, windows and façade of the building. Mechanical and Electrical works will also be undertaken, which impacts all areas of the building areas (including NNCA spaces), and internal and external access improvements, and various access and use modifications will be concluded. Some of these matters are also understood to require planning consent which have been accounted for within the programme.
- 2.10 The 24 Guildhall Road Phase 2 Business Case has been produced in accordance with good practice guidance published by HM Treasury and has been independently reviewed by external agency Hatch Ltd. The Northampton Forward Board also approved the business case and recommended it to proceed on the *31st August 2022*.

3. Recommendations

- 3.1 It is recommended that Cabinet:
- a) approve the business case for 24 Guildhall Road Northampton Project Phase 2.
 - b) delegate to the Assistant Director of Place Shaping authority to enter into a contract to appoint a principal contractor for the build.
 - c) delegate to the Assistant Director of Assets and Environment authority to enter into a lease in relation to the upper floors of the completed building.

4. Reason for Recommendation

- 4.1 Reason for recommendation:

- a) to bring the building back into use.
- b) to support creative industries within the area of West Northants and support wider economic growth.
- c) to further the delivery of the wider Northampton Town Centre Masterplan to support wider
- d) to support delivery of the vision to regenerate the town centre
- e) to enable the drawdown of £1.75m of Towns Fund funding and £1.5m WNC capital borrowing and be an essential strategic creative hub building within the Councils portfolio.

1. Report Background

- 4.2 Northampton town centre plays a vital role as a major centre serving the town and a wider catchment of over one million people. The population is expected to grow further over the coming years, however footfall in town centre has dropped 14.4 per cent year on year. Culture and heritage assets in our town have a key role to play in encouraging people back into our town. The Northampton Town Centre Masterplan sets the principles and the approach that will be taken to deliver the transformational change that is required in gaining more town centre attraction.
- 4.3 24 Guildhall Road was originally purchased by Northampton Borough Council (NBC) from Northamptonshire County Council as part of the building was required to facilitate the council's New Museum and Art Gallery (NMAG) project. Due to budgetary constraints the refurbishment of 24 Guildhall Road for the purposes of the NMAG project was not possible.
- 4.4 The building consists of five floors including the lower ground floor (basement), upper ground floor, first floor, second floor and third floor. Prior to the Phase 1 works on the building, the property was left in the same condition and layout as when occupied by NCC with office partitions, dated welfare facilities, non-compliant access arrangements and carpet tiles throughout.
- 4.5 Inspections by chartered surveyors completed in 2019 revealed that significant repairs were required to the flat roof coverings to prevent water ingress and ultimately destabilise the integrity of the flat roof joists. Mechanical and electrical defects have been identified throughout the building that will require remediation/ replacement. These works are within the scope in phase two.
- 4.6 The existing lift at the current main entrance to the building was not compliant with building regulations and was replaced alongside significant structural alternations, as part of the Phase 1 works. Each floor has a change in level that required further access enhancements to comply with building regulations for public use. Phase 1 has installed suitable lifts to enable access arrangements on the ground and first floor. Within Phase 2 works, the intention is to replicate these accessibility arrangements on the second and third floor, to allow full accessibility in all floor plates.

- 4.7 The former NBC cabinet decision on 9th September 2020 approved the GBF Grant of £1.15m and £385,000 of capital funding to refurbish the whole (five floors) of 24 Guildhall Road for Regeneration purposes and the relocation of NNCA This included making the building fit for occupation and public use, carrying out essential roof maintenance, windows and façade repairs, mechanical and electrical works, internal and external access improvements, and access and use modifications.
- 4.8 The WNC Cabinet decision in October 2021 approved a Partnership Agreement with NNCA, delegated authority to agree a 25 year lease to NNCA and that Phase 1 works could be progressed. Shortly following this, phase 1 contractor pricing was concluded, and a VE exercise concluded in November which enabled a Contractor to be appointed for Phase 1. Phase 1 construction Contract was entered in the November 2021, and site works commenced in December 2021.
- 4.9 In March 2021 it was confirmed that the Council would receive £25m for regeneration projects in Northampton Town Centre from the Towns Fund, subject to compliant Business Cases being submitted. Of this £25m grant, £1.75m has been granted for Phase 2 of the 24 Guildhall Road project. The funding is to be spent by March 2025
- 4.10 The Phase 2 project envisages the following main areas of improvement to the building to achieve the councils vision and occupation:
- Carry out essential repairs to the building exterior and roof and install a new air source heating system, making the building fit for occupation and low carbon.
 - Creating 950 sqm of new cultural / commercial space of which, 678 sqm is identified to be cultural sector workspace on the upper two floors subject to suitable cultural tenants being identified (failing which alternative marketing and tenant finding to take place).
 - Install a Civic Reading Room and Artist Lounge, equipping NNCA with event kitchenette and co working desk facilities.
 - Install a new street level lift to further open up a welcoming, street-level visitor entrance lobby on Guildhall Road and ensure an inclusive, contemporary public space for all, including access from the Northamptonshire Museum which is adjacent to the building.
 - Refurbishing additional 160 sqm of lower ground space for NNCA (if the fully funded budget is sufficient).
 - NNCA will be 24 Guildhall's anchor tenant on the three lowest building floors, currently subject to Phase 1 of the project's development and Phase 2 additional works. Head's of Terms for the NNCA lease are on a peppercorn rent for 25 years, with service rent applicable.
 - Note, the upper floors being developed through Phase 2 are intended for complimentary cultural use, which will be a commercial let, subject to suitable tenant.
- 4.11 The business case is a key document that ensures all stakeholders understand and are aligned on the why, what and how of the project. It helps to quantify the opportunity, prioritise activities and capture key assumptions and risks.
- 4.12 The Business Case has been produced in accordance with good practice guidance published by HM Treasury and follows the Five Case Business Case Model (Strategic, Economic, Commercial,

Financial and Management Cases) as the required framework for considering the use of public resources. A summary of the sections are included in this section below:-

- 4.13 The Strategic Case explains how the project fits into the overall strategic context of the town's development, as well as describing the benefits it will deliver. This business case also captures how the project will be financed, procured and managed.
- 4.14 The 24 Guildhall Road (24GHR) project will, through Phase 1 and Phase 2 delivery, create a new mixed occupancy cultural centre for Northampton. It aims to encourage an ethos of cultural and civic engagement in the town that is facilitated through arts and cultural organisations' networking and collaboration throughout all floors of the building.
- 4.15 On completion, the vision is to reimagine culture at the centre of civic life, being a place for community-building and engagement, and simultaneously acknowledging the building's history and its role at the centre of the town of Northampton.
- 4.16 The Towns Fund funded 24 GHR Phase 2 project will add value to the current Phase 1 project funded through the GBF. It sits within the Towns Fund arts, culture, and heritage intervention category where the aim is to maintain, regenerate, and creatively repurpose cultural, heritage, and community assets, to better support visibility, accessibility, and inclusive growth.
- 4.17 The project responds to the strong evidence of cultural, social, and economic need for a cultural and creative business venue. These include:
- a revitalised, regenerated, and promoted town centre after a long period of decline.
 - greater and better access to culture, heritage, learning and skills development for residents.
 - town centre job creation in the region's important creative industries.
- 4.18 The project outlines several objectives that will enable 24GHR to deliver significant benefit for Northampton town and its residents, summarised as: enhancing the cultural focus of the surrounding area, creating jobs, retaining creative talent, and acting as a catalyst for footfall into Northampton town centre.
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- 4.20 The Economic Case considers the scheme's value for money for both the total public sector costs across Phase 1 and Phase 2 (£3.31m) and for the Phase 1 project funding from Towns Fund alone. (£1.75m). The Business Case in Appendix 1 provides a short summary of the Benefits Cost Ratios (BCRs)
- 4.21 The total BCR of 2.70:1 demonstrates the value for money of the investment is categorised as "high" when considering the Towns Deal costs only. When assessed against the entire public sector costs the BCR reduces to 1.52:1, indicating "medium" value for money.

- 4.22 The estimated Budget Costs of this Phase 2 implementation is £3.14m. This is in addition to a Phase 1 investment of £1.56m predominantly funded from the GBF. And the total spend for the whole project will be c£4.70m.
- 4.23 The planned sources of Phase 2 funding are £1.75m from the Towns Fund and £1.5m of borrowing from the Council approved at February 2022 Full Council.
- 4.24 Informing and underpinning the Phase 2 review, has been cost planning work undertaken by the CS2 Chartered Surveyors based on RIBA Stage 2 designs by the Council's designers pHp Architects for all of the Phase 2 works
- 4.25 These have been subject to a series of cost plan revisions, the latest dated May 2022, that have provided a good level of confidence in the financial case.
- 4.26 Market analysis for the upper two floors of 24 GHR development has been completed by Avison Young, a commercial property agency during the Phase 2 Business Case development phase. The reporting concludes that there is strong interest and demonstrable demand for affordable, fit-for-purpose and flexible workspace to support the town's diversifying 'creative' industries sector, but that a serviced 'commercial' office space is been identified as the most profitable tenancy model.
- 4.27 In line with the project vision, the Council will however first explore occupation by the 'creative' industry market for occupancy across the upper floors with a view to 'break even' profitability in the first instance. This will occur during the project's design and early construction of Phase 2, and during this process the Council will consult and engage with NNCA as the anchor tenant on the lower floors (See section 5.9 Asset Management).
- 4.28 WNC is the Accountable Body for the project, and as such the Council will be responsible for discharging all obligations with Department of Levelling Up, Housing and Communities (DLUHC). WNC will be responsible for overseeing the financial management and accountability monitoring of the project and will have direct responsibility for the governance of the project.
- 4.29 Additionally, the Council's project team is responsible for bringing the project through all the key delivery stages as outlined in the programme (highlights of which are identified in Table 1 in section 5.11.3 of this report) The Management section of the Business Case outlines the status of key aspects of the project from a project planning/management perspective:
- Planning Permission: Proposed external alterations as part of this project require planning permission. These are minor alterations (disabled access ramp and air source heat pumps on the roof) and we do not anticipate any planning difficulties. Planning application is scheduled to be submitted as part of the design stage programme.
 - Design: Current design for the cost planning requirements has been carried out to RIBA Stage 2, but some of this design will inevitably be re-visited and refreshed. NNCA's own design and client advisory will be integrated into the project design team to represent their areas of the works in design terms.

- Land: the site freehold is owned by the Council . NN Contemporary Art (NC) will be the anchor tenant of the ground and first floors. The upper floors (to which most of the works in scope for this business case will be carried out) will be leased to one (or a small number of) tenant(s), depending on the market situation at completion of the proposed works. All necessary joint working arrangements will be put in place.
- Team: delivery of the project will continue to rely on the successful model of partnership working that has characterised the development of 24 Guildhall Road since the project's inception. An Employers Agent/Contract Administrator (who will manage the construction project Management of the project) is appointed as described in this report. The appointed company is both local, and have led the Phase 1 project delivery aspects.

- 4.30 NNCA will act as advisory client for those elements of the project related to areas they will be occupying or managing (Ground and First floors, and common areas). NNCA were responsible for the design brief, and envisioning process. The key groups and roles involved in the delivery of the project are outlined in the table below:
- 4.31 The Cabinet is herewith requested to agree the Business Case attached in Appendix 1.
- 4.32 Given the demanding time constraints, the Council has moved forward to appoint its professional consultants team.
- 4.33 The professional consultants team are appointed to undertake the design and other project activities and have commenced work to design Phase 2 works Design to RIBA Stage 4. The team will undertake the Principal Design and design co-ordination role, and will undertake Contract Administrator and cost management activities throughout the project to Completion and the defect period. The key local consultants appointed include Peter Haddon Partners (as Architects and Principal Designer who will co-ordinate the design), cS2 Surveyors (as Contract Administrators and Cost Consultants), and The Engineering Practice (as Mechanical and Electrical Designers). All three consultants are familiar with the building and the project, having undertook Phase 1 Professional Services roles and re-appointing brings added value that the professional team already have about the structure, operations and stakeholders. The consultants teams work on Phase 2 commenced in early September 2022.
- 4.34 NNCA will continue with having Client Advisory and for Phase 2 will also appoint Design Advisory services to design their spaces. As such, a budget allowance has been identified from the funding for them to appoint these advisers. The Council has provided to NNCA a clear Brief to assist the procurement process that NNCA are embarked upon, and it is agreed that the Council will review the NNCA Scope, and confirm acceptance to the appointments. The Design Consultant and the Client Advisory Consultant will then be integrated into the wider design team. It is clear that the Council is and has to remain with the lead designer responsibilities, and are to manage the co-ordination of the design as it develops in the Design Stage as covered by the Management Case. Particularly, costs and time are important to manage effectively, and this will have close oversight by officers, so as to avoid scope and ultimately cost creep.

- 4.35 A principal contractor has yet to be procured, and once a full design to the appropriate RIBA Stage, as outlined in the programme shown in the table 1 at section 5.11.3 of this report. The Council's Project Manager with the assistance of the Councils Procurement team will procure a contractor competitively. This will either be through a compliant framework, or by an open tender. The contractor procurement decision stage will be overseen by the Head of Major Projects and Regeneration, subject to constitutional compliancy requirements.
- 4.36 The report request that the delegate authority is granted to the Assistant Director of Place Shaping to approve the appointment of a principal contractor.
- 4.37 24 GHR Phasing Plan – confirms the anticipated extent of Phase 2 works scope, and identifies the spaces that are agreed to be let to NNCA and shows the areas of the building that were completed as part of Phase 1 works.
- 4.38 The partnership agreement establishes the terms of governance, the roles and responsibilities of both parties, default provisions for non-compliance, timeframes for the partnership, timeframes for key decisions, general working arrangements and sharing/recording of information related to the partnership.
- 4.39 The partnership agreement established for Phase 1 also extends to Phase 2 of the project, and has dispute resolution provisions, as well as the ability to be amended by agreement, as an when, and indeed if it is required.
- 4.40 Collaboration is managed with a variety of co-ordinated meetings at Strategic, Operational and Construction Project delivery levels.
- 4.41 Lease of three floors to NNCA –Cabinet (October 2021) confirmed delegated authority to the Assistant Director of Assets and Environment to agree heads of terms for a lease and enter a 25-year lease on the lower ground, upper ground and first floors at a peppercorn rent to NNCA, including Service Charge Provisions.
- 4.42 Lease of two Upper floors – The project vision is for a 'creative' industry hub, and the Council will first explore letting the upper two floors to businesses the 'creative' industry sector with a view to 'break even' profitability.
- 4.43 It is envisaged that a marketing plan will be devised in conjunction with the Council's anchor tenant (NNCA), Asset Management colleagues, and as necessary appointed marketing agent/ advisors, to secure a creative sector tenant.
- 4.44 There is therefore anticipated to be a 'going rent' for the upper floors if let to a 'creative' industry tenant or tenants, but it will inevitably not be a full commercial rent that might otherwise be achieved.
- 4.45 It is further anticipated that if, following a reasonable period of marketing that no 'creative' industry tenant is identified, that the Council will, upon further engagement with stakeholders, pursue a commercial tenant to occupy the two upper floors on commercially acceptable terms.

- 4.46 Regardless of tenant type, it is anticipated that tenants on all floors of the property will be paying proportionally to the Service charge and running costs of their occupation as managed by the Council.
- 4.47 The 24 Guildhall Road premises is expected to be managed by the Council's Assets Team as an Investment property.
- 4.48 Delegation is herewith requested to the Assistant Director of Assets and Environment to agree suitable heads of terms and letting for a lease or leases in relation to the second and third floors of the premises and in line with the principles in 5.9.2 – 5.9.7 above.
- 4.49 The scheme will deliver:
- A place for ideas, culture, and inspiration
 - A place for young people and learning
 - A place for skills and employment - an extensive continuing professional development (CPD) programme, direct and indirect job opportunities.
 - A place to visit and enjoy – it will welcome 50,000 local and international visitors each year to NNCA and Northampton's Cultural Quarter.
 - A place of community and inclusion - a fully accessible public space engages all sectors of the community, creating pride in local heritage and social inclusion.
 - Increased spend in the town centre
 - Preserving a vital strategic asset in the town centre
 - Investment in the council's portfolio
 - Reduction in ongoing maintenance
- 4.50 The design process for the phase 2 works commenced in early September 2022. The programme milestones below Construction will commence in May 2023 with Construction Completion by November 2023. A detailed construction phase plan will be provided when the design process is complete.
- 4.51 Providing there are no unforeseen matters, the anticipated delivery programme for the completion of the construction works is by November 2023 is shown in Table 1 below.
- 4.52 It is envisaged that there will be a Section completion in relation to spaces to be leased to NNCA, who can then undertake their preparations for their opening concurrently to the completion of the remaining wider building works.

Milestone	Indicative Dates
Professional Consultant Team Commence design	September 2022
Cabinet - Business Case and funding approval	September 2022
NNCA Design and Client Advisory integrate to the WNC Design Team	October 2022
RIBA stages 1-4 (est. 18 weeks)	Sept 2022-Jan 2023
Planning Application submitted	October 2022
Procurement of Contractor	January - April 2023
Planning Approval	February 2023

Construction commences	May 2023
Section Completion (NNCA spaces)	September 2023
Construction Completion	November 2023
Table 1 – Indicative Programme Phase 2	

5 Issues and Choices

- 5.1.1 It is envisaged that there will be a Section completion in relation to spaces to be leased to NNCA, who can then undertake their preparations for their opening concurrently to the completion of the remaining wider building works.
- 5.1.2 Agree to utilise the Towns fund to bring Phase 2 of the redevelopment project to conclusion, so to preserve the asset and assist in the strategic redevelopment of the town centre.
- 5.1.3 The council could decide to not to use the Towns Fund support, which would render parts of the property unoccupied. Further still, there would be potential the structural integrity and water tightness of the building could be compromised, causing long term damage to the building.
- 5.1.4 The inclusion of sustainable technologies would greatly help improve the buildings EPC (Environment Performance Certificate). This is an area which needs to be enhanced for compliancy with commercial building lettings in order to lease the property and make necessary revenue savings. Additional grant funds are being explored as part of current project activities.
- 5.1.5 Should funding not be made available, the building would not meet the legal requirement under the Minimum Energy Efficiency Standard regulations in a couple of years from now, as well as not fulfil the council own energy and building targets.

6 Implications (including financial implications)

Resources and Financial

- 6.1.1 The overall budget for the project is £3.25m. As part of the Towns Fund funding condition, all funds need to be spent by March 2025. A capital budget of £1.5m for West Northants contribution to the scheme has already been approved.

Borrowing Costs	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	£k	£k	£k	£k	£k	£k
Repayment of principal	0	0	36	36	37	109
Interest	48	47	45	44	42	226
Total	48	47	81	80	79	335

- 6.1.2 The figures in the table above estimate the revenue impact if the council chooses to borrow for their contribution to the scheme. As the capital budget is already included in the capital programme these costs will already be accounted for in the revenue account and there is no additional revenue impact as a result of this scheme proceeding.
- 6.1.3 The budget cost for the project has been calculated by the appointed cost consultants during phase 1. The very nature of the current cost inflation situation means that it is very hard to plan and fix costs in the current time and this is a potential risk.
- 6.1.4 The overall design will be drawn up and agreed with the partners NNCA to ensure that their requirements are met. However, WNC will retain control of the project and will be the accountable body for the grant. All spend on the project will be at the direction of WNC.
- 6.1.5 All capital expenditure on the project will be monitored through the council's finance software ERP Gold and an evolving cost plan based on up-to-date records of purchases. Finance officers will also be party to monthly board meetings for governance and compliancy.
- 6.1.6 £0.1m revenue costs for the capital project development and delivery, will be taken from the Towns Fund grant element, and this accounts for employed consultants who have prepared the Business Case or commented on it, officers who lead the project for the Council, and legal subsidy control advice costs to bring forward the Towns Fund Business Case, and bring the project forward through the delivery phase. The Towns Fund project is expected to be complete by winter 2023 at which time these delivery costs will substantially reduce, and cease following the defect period of the works.
- 6.1.7 It is anticipated that there will be long-term saving on maintenance costs and services relating to the floors NNCA will occupy and those occupied by others once the upper floors are let out. The tenants will be responsible for the service charges for their ongoing occupation of each lease, and the property will be managed by the Assets Team as an investment property in line with points 4.45 – 4.48 above
- 6.1.8 Prior to an occupation, the ongoing maintenance costs for the upper floors, will be identified and addressed as part of the annual budget-setting process.
- 6.1.9 It is noted that there are clear discrepancies between the Cabinet Reports considered by the former Northampton Borough Council and the West Northamptonshire Council which speaks directly to the nature of the works to be undertaken at 24 Guildhall Road, insofar it was understood that the works would be undertaken to the entire building. Cabinet must be satisfied that it had received further reports which establish the reasons behind the project change. It is planned that Phase 2 will conclude the works to the building, except for any ongoing maintenance responsibilities, which are intended to be kept to a minimum, by way of engaging with the marketing of the upper floors as soon as is practical.
- 6.1.10 The procurement and appointment of any consultant and/or contractor will be undertaken in strict accordance with the council's contract procedure rules.

- 6.1.11 Legal Services will continue in conjunction with any external legal provision required to support and provide all necessary legal advice in connection with this project. External legal advisors have to date provided legal advice (subsidy control advice) and their engagement may continue to complete instructions and accordingly must be budgeted for.
- 6.1.12 The risks identified below are significant in nature and could impact on the delivery of the project, accordingly if any issues arise from the identified risks these should be reported to Cabinet at a future meeting for any further decisions.
- 6.1.13 The Towns Fund funding has an obligation to complete the project by March 2025. The programme identified complies with the timescale.
- 6.1.14 NNCA's re-occupation is something that needs to be managed at a strategic level, as planning their return to the premises, and facility opening is naturally a significant and sensitive matter. For this purpose, the Council is meeting at both Strategic and Operational levels to ensure that the organisations needs are given suitable priority.
- 6.1.15 Mitigation measures to avoid significant disruption to the programme of works include extensive surveys and consultation with key stakeholders have been undertaken. There will also be provision within the construction contract where possible to ensure delays not foreseen and outside WNCs control are the responsibility of the contractor. There will also be regular communication with the funding body to alert them should any significant delays arise.
- 6.1.16 There is a foreseeable risk that due to the current extraordinary inflationary pressures on construction materials that the costs will exceed the budget for the project. This has been allowed for in the cost plan. The project planning has allowed for a period of VE discussions post construction tender to further mitigate this risk. All parties, including NNCA are aware of this, and ultimately, the construction contract that is let must be within the fully funded budget.
- 6.1.17 In the meantime, grants such as for Energy, such as the Salix Decarbonisation Grant, are being explored, as if available, could offset some of the Mechanical and Electrical upgrade costs, but cannot, at this stage be relied upon, and has not been accounted for.
- 6.1.18 Project management and governance controls have been put in place with financial management and reporting a key part of this. A Cost Consultant Surveyor has been appointed to the Design Team from inception to completion of the project. This will ensure costs are closely monitored, controlled and reported.
- 6.1.19 The new museum and art gallery share part of the 24 Guildhall Road premises, therefore works will need to be considered and phased around their needs and requirements. Regular consultation, co-operation and communication will be managed to best serve the project and the ongoing services.
- 6.1.20 Failure to deliver the Phase 2 refurbishment will result in reputational damage amongst key stakeholders and the public.

Consultation

- 7.1.1 The Town Centre Masterplan (TCM) included substantial consultation (via public exhibitions, online publication of consultation material, online surveys and distribution of leaflets and flyers) and informed the development of the projects for inclusion in the TCM. The 24 Guildhall Road refurbishment project is included as a key regeneration project in the TCM.
- 7.1.2 The 24 Guildhall Road arts centre was a top priority project in the Town Investment Plan
- 7.1.3 The 24 Guildhall Road arts centre and the partnership with NNCA will be used as a strategic asset to engage with the community through direct involvement in all the Northampton town centre regeneration projects.
- 7.1.4 The proposals have been presented to the Oversight and Delivery Group and Northampton Forward Board in August 2022 (31st August 2022) and comments from the board were incorporated into the proposals.

Consideration by Overview and Scrutiny

- 7.1.5 N/A

Climate Impact

- 7.1.6 The materials used in the construction of the refurbishment will, where possible, be sourced in the UK to reduce the CO2 emissions caused through long distance transportation. All timber products will be sourced from ethical and accredited FSC suppliers.
- 7.1.7 The principal contractor that is procured for the project will be required to demonstrate social value including best practice to reduce the impact on the environment. The use of local sub-contractors will reduce the CO2 emissions caused through long distance travel.
- 7.1.8 Energy efficient/sustainable technologies will be used throughout with improvements to windows and doors to prevent drafts and heat loss. Air source heating units will be placed on the roof and will provide heating to the building to improve its energy efficiency rating.

Communications

- 7.1.9 The document has been assessed for accessibility. Progress on the project will be clearly communicated as part of the ongoing programme of publicity around the regeneration programme in Northampton.

Community Impact

- 7.1.10 Northampton town centre faces problems associated with antisocial behaviour, drug abuse and homelessness. The regeneration objectives and projects identified in the TCM aim to increase footfall and improve opportunities to live, work and socialise by rejuvenating core areas in the Town. The 24 Guildhall Road regeneration project will support these objectives and improve the outlook for the local community.

7.1.11 Local businesses have experienced a significant loss of footfall and revenue in recent years, which has been exacerbated by the Covid-19 Pandemic. The 24 Guildhall Rod project will provide a destination that will attract more people to experience the town and its unique heritage and cultural venues. This will increase retail and leisure activity in the centre improving the outlook for local businesses.

7.1.12 The combined long-term effect of the regeneration projects proposed in the TCM will be to generate further private investment the area, improving job opportunities and therefore the quality of life for residents.

8 Background Papers

8.1 Northampton Towns Fund West Northamptonshire Cabinet Report July 2021

8.2 Cabinet Report Feb 2022 – Approval of borrowing for 24 Guildhall Road Phase 2