



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 24 March 2021

Remote via Zoom:

<https://www.youtube.com/user/northamptonbctv/>
6:00 pm

Members of the Cabinet:

Councillor: Jonathan Nunn (Leader of the Council)

Councillor: Phil Larratt (Deputy Leader)

Councillors: Mike Hallam, Tim Hadland, Stephen Hibbert, Brandon Eldred, Anna King and James Hill.

Chief Executive

George Candler

If you have any enquiries about this agenda please contact
democraticservices@northampton.gov.uk or 01604 837722

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	TITLE
Councillor J Nunn	Leader
Councillor P Larratt	Deputy Leader
Councillor M Hallam	Environment
Councillor B Eldred	Finance
Councillor T Hadland	Regeneration and Enterprise
Councillor S Hibbert	Housing and Wellbeing
Councillor A King	Community Engagement and Safety
Councillor J Hill	Planning

SPEAKING AT CABINET MEETINGS

Persons (other than Members) wishing to address Cabinet must register their intention to do so by 12 noon on the day of the meeting and may speak on any item on that meeting's agenda.

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 837057)

In writing: Democratic and Member Services Manager
The Guildhall, St Giles Square, Northampton NN1 1DE
For the attention of the Democratic Services Officer

By e-mail to democraticservices@northampton.gov.uk

Only thirty minutes in total will be allowed for addresses, so that if speakers each take three minutes no more than ten speakers will be heard. Each speaker will be allowed to speak for a maximum of three minutes at each meeting. Speakers will normally be heard in the order in which they registered to speak. However, the Chair of Cabinet may decide to depart from that order in the interest of hearing a greater diversity of views on an item, or hearing views on a greater number of items. The Chair of Cabinet may also decide to allow a greater number of addresses and a greater time slot subject still to the maximum three minutes per address for such addresses for items of special public interest.

Members who wish to address Cabinet shall notify the Chair prior to the commencement of the meeting and may speak on any item on that meeting's agenda. A maximum of thirty minutes in total will be allowed for addresses by Members unless the Chair exercises discretion to allow longer. The time these addresses take will not count towards the thirty minute period referred to above so as to prejudice any other persons who have registered their wish to speak.

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £250,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held
Remote via Zoom: <https://www.youtube.com/user/northamptonbctv/>
on Wednesday, 24 March 2021
at 6:00 pm.

George Candler
Chief Executive

AGENDA

1. **APOLOGIES**
2. **MINUTES**
3. **INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY**
4. **DEPUTATIONS/PUBLIC ADDRESSES**
5. **DECLARATIONS OF INTEREST**
6. **ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**
7. **REPORT IN THE PUBLIC INTEREST REGARDING THE COUNCIL'S LOANS TO NORTHAMPTON TOWN FOOTBALL CLUB (ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016) AND FINALISED ACTION PLAN**
 (Copy herewith)
8. **VULCAN WORKS - FIT OUT AND ADDITIONAL ROOF WORKS**
 (Copy herewith)
9. **BIKE PARK - CONTRACTOR PROCUREMENT**
 (Copy herewith)
10. **SIXFIELDS - UPDATE ON THE VARIOUS ENFORCEMENT AND RECOVERY STREAMS**
(Copy herewith)
11. **PROPOSED REDEVELOPMENT OF THE FORMER AVENUE CAMPUS TO PROVIDE AFFORDABLE HOUSING**
 (Copy herewith)
12. **EXCLUSION OF PUBLIC AND PRESS**

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

SUPPLEMENTARY AGENDA

**Exempted Under Schedule
12A of L.Govt Act 1972**

Para No:-

13. SIXFIELDS - UPDATE ON THE VARIOUS ENFORCEMENT AND RECOVERY STREAMS - PRIVATE (7)

(Copy herewith)

14. PROPOSED REDEVELOPMENT OF THE FORMER AVENUE CAMPUS TO PROVIDE AFFORDABLE HOUSING - EXEMPT APPENDIX B (3)

 (Copy herewith)

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 3 March 2021

PRESENT: Councillor Nunn (Chair); Councillor Larratt (Deputy Chair); Councillors Eldred, Hadland, Hallam, J Hill, Hibbert and King

APOLOGIES:

1. APOLOGIES

There were no apologies for absence.

2. MINUTES

The minutes of the meeting held on 17th February 2021 were agreed and signed by the Chair.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY

There was no intention to hold any of the meeting in private.

4. DEPUTATIONS/PUBLIC ADDRESSES

There were none.

5. DECLARATIONS OF INTEREST

There were none.

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

There were no issues arising from Overview and Scrutiny Committees.

7. CORPORATE PERFORMANCE ALL MEASURES REPORT QUARTER 3 – 1ST OCTOBER – 31ST DECEMBER 2020

Councillor Larratt as the relevant Cabinet Member presented the report and advised that in the circumstances the report was very good, although performance had been affected. 76.4% of the measures were blue, green or amber and 23% were red.

The first table at 3.4 showed high performing highlights such as % of missed bins corrected within 24 hours, which was of particular importance to residents, % of fly tipping incidents removed within two working days of reporting and fewer people in temporary accommodation.

The second table showed lower levels of reporting such as % of missed bins - due to disruptions caused by staff sickness and % of household waste recycled and composted - due to less garden waste in the winter months. The number of households prevented from becoming homeless was sadly lower, for reasons such as domestic abuse and family and friends being unwilling to accommodate. Town centre footfall had reduced due to the pandemic. One Subject Access Request had fallen out of time, and staff shortages and illness had affected response times for planning applications.

Councillor Larratt congratulated all staff, who had performed well in difficult circumstances.

RESOLVED:

2.1 Cabinet reviewed the contents of the performance report (Appendix 1).

8. FINANCE MONITORING TO 31 JANUARY 2021

Councillor Eldred as the relevant Cabinet Member noted that the finance team had been very busy over the last 12 months. CTRS had helped 12,400 households with £150 each, totalling £1.8 million. This was in addition to that already earmarked for the financial year. By the end of March 2021 the Grants scheme would have given away £50 million with the team working hard to get the money to those who needed it. Business rate relief had reached £34 million. A total of £180 million had been dealt with in the current year (the normal budget was £40 million) and credit was due to the finance team and many others who assisted with this.

Turning to the Financial Monitoring to 31 January 2021, Councillor Eldred pointed out that there had been a slight underspend of £278,000, which was a great achievement given the other pressures. The help from government had provided a boost to keep within budget. It was proposed to use Covid money for two separate grants to parish councils, the first of £98,887.50 to existing councils and the second of £99,995 to the Town Council and two new parish councils towards their startup and Covid safety and support messaging costs.

The Chair thanked all officers who had played their part, and in particular the finance team with their increased workload.

RESOLVED:

2.1 Cabinet noted the contents of the report.

2.2 Cabinet noted the amendments to the general fund capital programme as set out at paragraph 3.6.1.

2.3 Cabinet approved the distribution of Grant to existing Parish Councils of £98.9K, to provide additional Covid grant support, as set out in the Appendix.

2.4 Cabinet approved the distribution of £99.9K of Grant to the three new Town/Parish Councils as launch funding to enable them to function ahead of the first precept payment in April and assist with Covid support, as set out in the Appendix.

9. PROPOSED VARIATION TO THE NORTHAMPTON BOROUGH COUNCIL PUBLIC SPACES PROTECTION ORDER 2020

Councillor Hallam as the relevant Cabinet Member introduced the report seeking authority to prevent dogs being off the lead in an area of Upton Country Park. A positive impact of the pandemic and lockdown had been record numbers of people in parks and open spaces. There had been a number of incidents resulting from dogs off the lead, and sheep had been attacked. A public consultation had taken place, including all neighbouring parish councils. The prohibition of dogs off the lead would be enforced by park rangers and neighbourhood wardens.

Councillor Hibbert welcomed the report but noted from the consultation that some people thought dogs should be on the lead all the time. At some point this issue needed to be determined. Councillor Hallam accepted the observation and stated that responsible dog ownership should be encouraged.

RESOLVED:

Cabinet:

- 2.1 Resolved to vary the existing PSPO in order to create a new prohibition against dogs being walked off lead within the area of Upton Country Park known as “Phase 2”, which is outlined in red on the plan appended to this report as Appendix 2.
- 2.2. Authorised the Borough Secretary to complete all of the statutory processes as required by the Act in order to vary the existing PSPO.

The meeting concluded at 6:20 pm

This page is intentionally left blank



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Final draft Action Plan for the Report in the Public Interest regarding the Council's loans to Northampton Town Football Club (accounts for the year ended 31 March 2016) and
---------------------	--

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	24 th March 2021
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorates:	Chief Executive
Accountable Cabinet Member:	Cllr Jonathan Nunn, Leader of the Council
Ward(s)	All

1. Purpose

Full Council considered the KPMG Report in the Public Interest (Public Interest Report – PIR) dated 27th January 2021 at its meeting on 22nd February 2021. This meeting accepted the report and recommendations and approved the initial Draft Action Plan addressing the recommendation made in the PIR regarding the Council's loans to Northampton Town Football Club (NTFC) (accounts for the year ended 31 March 2016). This Cabinet report attaches a final draft Action Plan which reflects and addresses issues arising from the consultation undertaken with West Northamptonshire Shadow Authority.

West Northamptonshire Shadow Authority, will be considering the final draft Action Plan at their Shadow Executive meeting on the 23rd March 2021 which reflects the consultation undertaken. It recommends that the Shadow Executive Committee:

- a) Approves that the draft action plan is developed with more detail such as timings, and then brought back to a future meeting of West Northamptonshire Council's Cabinet for final approval.

It is now recommended, following feedback from West Northamptonshire Shadow Authority, and the report going to their Shadow Executive, that the final draft Action Plan is agreed by Cabinet and, for completeness, is then forwarded to West Northamptonshire Shadow Authority to allow the successor authority West Northamptonshire Council (WNC) to consider the future actions and determine them as it sees fit.

2. Recommendations

It is recommended that Cabinet agrees to:

- 2.1 Accept the final draft Action Plan following the Report in the Public Interest (“the Report”) regarding the Council’s loans to Northampton Town Football Club (NTFC) (accounts for the year ended 31 March 2016), and
- 2.2 Forward the final draft Action Plan following this meeting to West Northamptonshire Shadow Authority to allow the successor authority (West Northamptonshire Council) to consider the future actions and how this is managed and reported on, through its own governance processes and determine them as it sees fit
- 2.3 Notes that relevant notices will be published and consultations with the external auditor will be undertaken in accordance with the requirements of the Audit and Accountability Act 2014

3. Issues and Choices

3.1 Report Background

- 3.1.1 NBC fully recognises the serious nature of The Report issued on the 27th January 2021 by KPMG, the Councils former External Auditors. At the Council meeting on 22nd February 2021 it accepted the findings, conclusions and recommendations of the external auditor’s report into the governance arrangements at the time, in respect of the loan to Northampton Town Football Club (NTFC).
- 3.1.2 The Council is required under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014 to consider the recommendations of The Report and decide what action to take in response. It is also essential that all decisions made by the Council with regard to its governance arrangements are taken in full cognisance of the report’s findings and recommendations.
- 3.1.3 In the course of 2015/16 Northampton Town Football Club (NTFC) defaulted on loans made to it by NBC in 2013 and 2014. In light of this, NBC’s Audit Committee asked its own Internal Auditors (PWC) to conduct a review into the provision of the loans to NTFC. The review’s focus was to provide the Audit Committee with an assessment as to whether the relevant Council policies and procedures to support the loans were adequate and whether the policies were followed in these transactions.

- 3.1.4 The findings of the Internal Audit review were fully acknowledged and accepted by officers at the time and a Governance Action Plan was developed and implemented to address the specific issues raised in the Internal Audit report. Updates were also reported regularly to the Audit Committee. The outcomes of this were used to help shape the initial draft Action Plan that was presented to Council on the 22nd February.
- 3.1.5 Since the Council report of the 22nd February further work has been undertaken reviewing the Governance Action Plan alongside actions that NBC has undertaken through regular internal audits. The review has highlighted a number of further improvements the council has made linked to the PIR recommendations including:
- There is a clear delegated decisions process in place that was strengthened following the update of the Constitution in 2018. The Democratic Services delegations were audited by PWC in March 2018 which resulted in greater control of the approvals of delegated decisions.
 - A revised Member/Officer protocol has also been approved in 2020 on the back of an audit carried out in December 2018, which includes implementation of a process to make formal decision reports clearer should a situation arise where a political decision runs contrary to professional Officer advice.
 - There have been a number of Cabinet reports requiring decision that have been delayed due to new information being received or felt to be needed.
- 3.1.6 NBC received this Report in the Public Interest on 27 January 2021 less than 3 months before it will cease to exist due to Local Government Re-organisation. Therefore, whilst NBC takes this matter very seriously there is a limit to the extent that it can respond. NBC has however complied with the requirements of the Audit and Accountability Act 2014 and has further taken the key step that it is required to take - to share the Report and the auditor's concerns with West Northamptonshire Shadow Authority.
- 3.1.7 The draft Action Plan that was presented to Council has since been consulted on with West Northamptonshire Shadow Authority, through its officers and Executive Members.
- 3.1.8 West Northamptonshire Shadow Authority, will be considering the final draft Action Plan at their Shadow Executive meeting on the 23rd March 2021 which reflects the consultation undertaken. It recommends that the Shadow Executive Committee:
- a) Approves that the draft action plan is developed with more detail such as timings, and then brought back to a future meeting of WNC's Cabinet for final approval.
- 3.1.9 It is now recommended, following feedback from West Northamptonshire Shadow Authority, and the report going to their Shadow Executive, that the final

draft Action Plan is agreed by Cabinet and, for completeness, is then forwarded to West Northamptonshire Shadow Authority to allow the successor authority West Northamptonshire Council(WNC) to consider the future actions and determine them as it sees fit.

3.1.10 Alongside the consultation, the Chief Executive, has since the Council meeting on 22nd February 2021, kept the authors of The Report KPMG informed of progress and also its current External Auditor, EY. Similarly, updates on the status of The Report and NBC's actions thus far have been shared with the Local Government Association (LGA) and the Ministry for Housing, Communities and Local Government (MHCLG). A final status update will be provided to all organisations detailed in 3.1.10 after the Cabinet meeting.

3.2 Issues

3.2.1 Accountability for the delivery of the report and Action Plan (once agreed) will, until 31 March 2021, be with the Leader of the Council and the Chief Executive Officer. From 1 April 2021 responsibility for the Action Plan will rest with WNC and it will determine how this is managed and reported on through its governance processes, including the engagement of external auditors, both past and present.

3.3 Other options considered in making recommendations

3.3.1 In February 2021, Council noted the circumstances and timing of the Report and the progress in addressing the recommendations by NBC will be limited by Local Government Re-organisation. Therefore, in discussions with West Northamptonshire Shadow Authority it was agreed the approach outlined in this report and the Council report of 22nd February 2021 would be undertaken.

3.4 Choices (Options)

3.4.1 Full Council has considered and agreed the recommendations of the external auditor and as such has complied with the Council's obligation under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014. The attached final draft Action Plan contains feedback following consultation with West Northamptonshire Shadow Authority. Cabinet is recommended to agree to send the adjusted Action Plan to WNC.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no immediate changes to Policy arising from this report. Any changes required to address the recommendations, resulting from the agreed final Action Plan will be taken by WNC through its governance arrangements.

4.2 Resources and Risk

Resources and risk

- 4.2.1 The recommendations may prove useful to WNC as a check and balance of its governance arrangements going forward post Vesting Day.
- 4.2.2 There may be costs for WNC with implementing the recommendations. At the time of publishing this report these costs are unknown. Any update regarding any associated costs will be considered by WNC as the successor authority, for consideration and approval.
- 4.2.3 The costs associated with this objection to the accounts of NBC and subsequent report are currently £201,970 in respect of the Auditor Fees and legal advice.

Legal

- 4.2.4 Under the provisions of the Act, NBC is on receipt of a Public Interest Report, required to publish the report and recommendations as soon as practicable, consider it at a meeting of the authority within one month, decide what action it will take in response to the report and publish a summary of that decision following approval by the External Auditor. Full Council approved the PIR and Recommendations on 22nd February 2021.
- 4.2.5 At the meeting on the 22nd February 2021 the Council had to decide whether the Report was accepted along with the recommendations. It also had to decide what action to take in response to the Report and its recommendations. The recommendations and proposed actions by the Council were agreed at the meeting on the 22nd February 2021.
- 4.2.6 The function related to the consideration and acceptance of the PIR and Recommendations is a Full Council function. Section 7 of Schedule 7 of The Local Audit and Accountability Act 2014 makes it clear that this function is not one which can be delegated to the Executive (Cabinet). However, given the need to consult West Northamptonshire Shadow Authority and the authority which will be responsible for implementing many of the actions in the Action Plan, this activity was undertaken following the Full Council meeting on 22nd February 2021. After considering the Report and its response to it, the Council must notify the external auditor of its decisions, and publish a notice containing a summary of those decisions which has been approved by the external auditor. This will be actioned following the Cabinet decision of the 24th March 2021.

4.2.7 Equality

- 4.2.8 There has not been an equality impact assessment of this final draft Action Plan. However, each of the individual actions included in the draft Action Plan will be considered in due course by the successor authority, WNC, as it's taken through its own governance processes.

4.3 Consultees (internal and external)

- 4.3.4 Internally - Corporate Management Board and Cabinet Members.
- 4.3.5 Externally - West Northamptonshire Shadow Authority.

4.4 How the Proposals deliver Priority Outcomes

- 4.5.1 This report will contribute to the priority corporate outcomes of:
- Exceptional Services to be proud of:
 - o Using public resources effectively
 - o Improving our governance

5. Background Papers

- 5.1 Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014.
- 5.2 PWC Internal Audit Report – November 2016
- 5.3 Northampton Borough Council: Report in the public interest regarding the Council's loans to Northampton Town Football Club (accounts for the year ended 31 March 2016)
- 5.4 Governance Action Plan 2016

Appendices

Appendix 1 – Final Draft Action Plan

George Candler, Chief Executive

Draft Action Plan in Response to the Report in The Public Interest – WNC Response

Action	WNC Response	Accountability
<p>R1.1 and 9.2 Review external loan policy/process, to ensure:</p> <ul style="list-style-type: none"> • the process is documented for both Officers and Councillors in respect of information presented to Cabinet for any decisions. The process will include monitoring how any monies that have been loaned are used and compared against the original reason for the loan through reference to the business case. Any deviation from the agreed use will be reported through to management and Cabinet. • it is fully documented to reflect the necessary use of external resources to ensure full disclosure following due diligence work, based on more recent experiences. This links to 1.1 above. (R3.2 and 7.2) • the documented process includes detail on what information must be presented to Cabinet to ensure full transparency of all activity surrounding the loan and will include due diligence reports, and any recommendations made by external legal or professional advisors. This is linked to 1.1 and 3 above. (R4.2) • information regarding the structure and ownership of any organisation must be included with the Cabinet reports as supporting information where decisions are required. (R6.2) <p>R1.4 A comprehensive process will be documented to detail what should be included in reports to Cabinet with respect to loan decisions. This will include:</p> <ul style="list-style-type: none"> • a review of Finance Business Case requirements to ensure this information must be included with the Cabinet reports as supporting information where decisions are required. (R5.2) • the considerations to be made where a request for additional monies over and above the original amount are to be agreed. (1.4) • what due diligence should include and the level of information in relation to personal/business interests and also those of third parties. This information will be included in the business case presented to Cabinet in the first instance to assist the decision-making process for Councillors. (R7.3) 	<p>WNC has adopted new financial procedures rules, but these and associated procedures will be reviewed in respect of loan agreements, land disposals and sale of land for development.</p>	<p>Executive Director: Finance</p>

<p>R1.5 Full training on Cabinet decisions will be given to Councillors on the information they should expect to be presented to ensure openness and transparency when asked to make decisions on variations to loan values.</p> <p>R8.3 Additional training will be provided to officers to ensure they understand how to process additional information and ensure they know how to pause processes if required.</p> <p>R10.1 Review Constitution – note that there is no legal obligation to tender land disposals under section 123 Local Government Act 1972. However, in such cases a professionally qualified valuer (or more than one) should provide a valuation report. The Council is unable to take into consideration ethical or moral considerations in determining what is best consideration (Regina v Somerset County Council Ex Parte Fewings and Others: CA 22 Mar 1995 R v Lancashire CC ex p Telegraph Service Stations, The Times, June 25 1988).</p> <p>R10.3 A process for the sale of land for development will be developed for Officers to follow. The process for Cabinet reports for Councillors could, where appropriate, include a section for the sale of land.</p> <p>R10.2 Review of Asset Disposals strategy, policies and processes.</p>		
<p>R4.1, 5.1, 6.1, 7.1 and 8.2 Review Cabinet Report and decision making process.</p> <p>R1.2 Review the policy and process in respect of Member concerns raised at Cabinet meetings and associated feedback to Cabinet and Members raising concerns.</p> <p>R1.6 Concerns raised as part of the Cabinet decision process will be recorded and addressed by management. Follow up and actions on the issues raised will be supplied to members once resolved.</p> <p>R2.2 As part of the process to be documented for Cabinet members in respect of decision making, the delegated powers will be recorded per decision and will be updated to show what work has been undertaken, the actual results against expected results and the reason for any deviation from the agreed actions.</p>	<p>WNC has adopted a new Constitution which will be supplemented by arrangements to ensure that the decisions and deliberations of Cabinet are as transparent and as comprehensive as possible.</p>	<p>Director of Legal and Democratic</p>

R1.3 and 9.3 Review the function and effectiveness of Overview and Scrutiny.	WNC has adopted new arrangements for overview and scrutiny and intends to review their effectiveness in light of their operation.	Director of Legal and Democratic
R2.1 Review constitution and delegations (Legal and Financial).	WNC has adopted a new Constitution which will be kept under review.	Executive Director: Finance and Director of Legal and Democratic
8R.1 and 9.1 Review of Officer / Member Protocol to ensure roles and expectations are clear.	WNC has adopted a new Officer / Member Protocol which will be kept under review.	Director of Legal and Democratic

This page is intentionally left blank



CABINET REPORT

Report Title	Vulcan Works – Fit out and additional roof works
---------------------	---

AGENDA STATUS: **Public**

Cabinet Meeting Date:	24th March 2021
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Economy, Assets and Culture
Accountable Cabinet Member:	Cllr Tim Hadland
Ward(s)	Castle

1. Purpose

1.1. To update Cabinet on the progress being made on the construction and procurement of an operator for the Vulcan Works Creative Hub (VWCH) and to inform them of the required works relating to the Fit Out and additional Roof Works.

2. Recommendations

It is recommended that:

- 2.1. Cabinet notes the progress being made on the construction of the Vulcan Works Creative Hub (VWCH).
- 2.2. Cabinet approves the Fit-Out works required to open VWCH and approves the drawdown of £670,000 from the Development Pool for the completion of this work.
- 2.3. Cabinet approves the drawdown of £500,000 from the ringfenced funding in the Development Pool for the additional roofing works which have been undertaken on the project.

- 2.4. Cabinet delegates authority to the Acting Director of Economy and Assets in consultation with the Borough Secretary, the Chief Finance officer and the Cabinet Member for Regeneration and Enterprise to appoint a contractor for the Fit Out works and equipment required to open the Vulcan Works Creative Hub.
- 2.5. Cabinet notes the progress and next steps for the procurement of an operator for the Vulcan Works Creative Hub (VWCH)
- 2.6. Cabinet notes that West Northamptonshire Council will progress with the work set out within this report from 1st April 2021, having been consulted on the reports contents.

3. Issues and Choices

3.1. Report Background

- 3.1.1. In January 2019, Cabinet delegated authority to the Head of Economy, Assets and Culture, in consultation with the Borough Secretary and the Cabinet Member for Regeneration to finalise the contract terms and to appoint the main construction contractor for the Vulcan Works.
- 3.1.2. With the appointment of Stepnell Ltd, works commenced on site in March 2019.
- 3.1.3. The Vulcan Works Creative Hub will contain up to 68 new lettable units as well as co-working space, kitchenettes breakout areas and meeting rooms. The VWCH is aimed at giving creative businesses a place where they can be based and collaborate.
- 3.1.4. The VWCH aims to expand and develop Northampton's Cultural Quarter and Enterprise Zone by establishing new creative activity on a site accessible and visible to the public - showcasing artists at work.
- 3.1.5. The VWCH is anticipated to increase footfall and economic activity in the Enterprise Zone and improve graduate retention in the town. The centre will also attract highly skilled entrepreneurs and employees to the area. This is more important than ever as Northampton works towards its economic recovery from the Covid pandemic.
- 3.1.6. The businesses in the Vulcan Works will be offered on site business support which will be provided as part of the Management Operator's remit. This will help to ensure businesses thrive and grow. Supporting businesses as we head out of the Covid pandemic is part of the recovery plan for Northampton to help nurture and grow businesses which may have been detrimentally affected by the current situation. VWCH will help to encourage economic growth in a time when it is needed most.
- 3.1.7. The project comprises the part demolition of areas of the site, the refurbishment of the Vulcan Works workshops, Fetter Street stores and the Weights and Measures building as well as providing two new buildings in

Angel Street (three floors) and St Johns Road (four floors). The work is progressing well with much of the major structural work now complete.

- 3.1.8. Following a difficult year for all projects, the Vulcan Works contractor has remained on site and operational throughout all the Lockdown periods. Social distancing and other health and safety measures have been put in place in line with Government Guidance and progress has continued all be it at a reduced capacity.
- 3.1.9. The project has seen the refurbishment of the Guildhall Road Block which has ensured many of the original features have been retained. The Victorian Workshops are an impressive sight with their high ceilings, original restored wooden trusses, rooflights and restored original brickwork.
- 3.1.10. The Fetter Street Stores have been separated into 8 workshops and the high maple boarded ceilings and spacious units will work perfectly as a creative space.
- 3.1.11. The two new build blocks are now almost complete and are in decoration stage with St Johns Block estimated for completion by the end of March. The remainder of the works are progressing well and are due to complete in early Summer 2021.
- 3.1.12. The Vulcan Works forms a key part of the plans for the economic recovery from Covid and will have a big impact for local businesses. Any delays of the opening of the centre will have a detrimental effect on this element of the recovery plan. The centre needs to be in a position to support businesses as soon as possible.

3.1 Fit Out

- 3.1.1 The Council had hoped to get a Management Operator appointed prior to the completion of the project on site to assist with the Fit Out of the building but due to the increased pressures as a result of Covid this has not been possible. The Management Operator would usually be involved in the outline and requirements of the Fit Out works. However, the Council is keen to ensure that the Vulcan Works can be occupied as soon as possible following Practical Completion which requires the Fit Out works to commence as soon as possible.
- 3.1.2 The Fit Out of the units will ensure the units are fully lettable. This will include the basic requirements for an office/working space..
- 3.1.3 The Accommodation Schedule for the Vulcan Works has helped to inform the Business Case and outlines the number and sizes of the units and the capacity. Based on the numbers given, the Vulcan Works can accommodate c320 (based on 10 sqm per person) people throughout the building using office space, co-working space and meeting rooms. In addition to this there are corridors, plant rooms, toilets, showers, tea points etc. Some of these elements will be completed as part of the wider construction project, however, some will require additional fit out working in conjunction with the appointed Management Operator.

- 3.1.4 A Business Case has been completed which outlines the full breakdown of the Fit-Out costs. These costs were not initially included within the project costs as the focus was on the construction of the physical building. The funding for this element of the project was ringfenced in the Development Pool to allow for this to be undertaken once the project was complete.
- 3.1.5 For the VWCH to be fully lettable as close to Practical Completion as possible, £670,000 is required to be drawn down from the ringfenced funds within the Development Pool.
- 3.1.6 If the drawdown is approved, the next steps would be to procure and deliver the required works relating to the Fit Out of the building. The Council envisages the Management Operator assisting with this following their appointment.
- 3.1.7 The tender process for the Management Operator is in progress and it is expected that the Management Operator will be on board in May 2021.
- 3.1.8 The tender for the Fit Out will be undertaken in two elements. The first is to be delivered as a Variation to the existing works contract, for example the signage can be designed by Purcell, our existing Design Team and installed by the contractor Stepnell. Explorative works have already begun with the Design Team and works can begin on this element immediately should this funding be approved to be released by Cabinet. The second will cover the furniture/equipment element and a specialist company will be procured to supply and install all the Fit-Out works. This company will work with the projects Design Team to ensure the final overall look and feel of the VWCH is in keeping with the original design concepts. If approval is given to release the ringfenced funds, the procurement process will begin to ensure works can start on the Fit Out as soon as possible following Practical Completion.
- 3.1.9 The internal physical Fit Out of the project cannot commence until Practical Completion, however, Designs for internal furniture etc can begin prior to this based on Drawings and site visits. The signage can be designed and installed while the Contractor is still on site.

Next Steps

- 3.1.10 The next steps for the full Fit Out works would be as follows:

Process	Estimated Timeframe
Spec out the works	April 2021
Tender Process	April 2021 - May 2021
Appoint Contractor	June 2021
Undertake works	June 2021 – October 2021
Fit out works complete	October 2021

- 3.1.11 Elements such as the signage are already in progress with the existing design team looking at potential options.

3.2 Additional roofing works and delays

- 3.2.1 £500k of funding has previously been ringfenced in the Development Pool to cover unexpected additional roofing works which have been required due to the poor condition of the roof and trusses.

- 3.2.2 In September 2019, Stepnell, the project contractor, identified that there were two critical paths running through the project. Works identified as being on the critical path are elements which will need to be completed prior to other major elements being able to commence. Therefore, any delays to those works can cause delays to the overall project. The completion of the Guildhall Road roofs was on the Critical Path as follows:

“Completion of the Guildhall Road roofs allowing the temporary roof (covering the existing roofs) and the supporting external scaffolds to be dismantled. The scaffold installed within the Victorian Workshops (i.e. to the west of the Guildhall Road roofs) is particularly important.”

- 3.2.3 The Guildhall Road buildings and the Victorian Workshops are listed buildings. Due to the highly technical and delicate works which were required, a large temporary roof was erected over the Guildhall Road buildings. Due to the structural and wind loadings applied to the temporary structure, the support scaffold was buttressed – both to the east (in Guildhall Road) and to the west (into the Victorian Workshops). This meant that the scaffold occupied part of Guildhall Road (which was partly closed), as well as a zone of approx. 7m in depth at the rear of the Guildhall Road buildings (in the Victorian Workshops area). This internal zone could not be progressed until the scaffolding was dismantled.
- 3.2.4 The roof and trusses were in a much worse condition than originally anticipated. Once the existing roof finishes had been removed the condition of the existing structural timbers became evident. Instructions were given to carry out an assessment of the condition of these roofs and there was a long period of time when little happened due to the consideration of wholesale replacement of the roof timbers, and the need to provide safe access for inspections as well as further inspections and discussions.
- 3.2.5 Clear instructions were issued to Stepnell and they advised that an overall period of 16 weeks was required to mobilise resources, carry out the increased scope of works to the roof timbers and recover the roofs with new finishes.
- 3.2.6 The additional surveys which were required resulted in an increased scope of works to the existing timber roof trusses in the Victorian Workshops. The Provisional Sum allowance was inadequate to cover these surveys and additional works.

3.2.7 The issues which have accumulated, the additional costs and delays to the roof include:

- Delayed start to the re-roofing over the Guildhall Road buildings due to the requirement for surveys and inspections.
- Health and Safety - roof "D" (covering 38 Guildhall Road) was of serious concern. The existing roof timbers were in poor condition. Stepnell stated that working on top of these roofs was a health and safety issues and that the safe approach was to erect a scaffold from which access from below was possible.
- Technical issues – Stepnell’s roofing contractor was concerned about the repairs and their durability to support the large roof tiles. This resulted in some of the trusses which had planned to be repaired needed replacing incurring further cost and delays.
- Additional Drawing works – Purcell were instructed to undertake additional drawing works for the roof construction. BEC Building Services Consultants were also asked for technical drawings to accompany these.
- Delay to the installation of the temporary roof due to the issues on the Fetter Street temporary roof whereby Stepnell’s design assumed that the existing building could be used to support the necessary temporary works.
- Inclement weather affected roofing and bricklaying progress

3.3 Procurement of a Management Operator

3.3.1 The procurement of a Management Operator to run and manage the facility was hoped to have been completed by the end of 2020 but due to pressures caused by COVID-19, this delayed progress, it is now envisaged a Management Operator will be appointed by the Summer 2021.

3.3.2 In January 2019 Cabinet, pursuant to recommendation 2.6 delegated authority to the Head of Economy, Assets and Culture to commence the procurement of an operator through Ridge and Partners LLP to manage the completed Vulcan Works. Cabinet were advised they would receive a further report on the outcomes of the procurement process and approval sought for the award of contract.

3.3.3 The Council is now undertaking the procurement of a management operator for the supply of services for the day-to-day operation and management of the VWCH.

3.3.4 The Council will procure the project using the Competitive Procedure with Negotiation (CPN) under the Public Contracts Regulations 2015 (as amended), which provides the opportunity for a structured approach to the procurement.

3.3.5 The procurement process will ensure an experienced and value for money operator will be appointed to ensure that the Vulcan Works Creative Hub meets its key performance indicators such as:

- Supporting 116 businesses by Year 5.
- 75 new businesses created by Year 5.
- 295 gross direct and indirect jobs supported by Year 5.
- £18m of net additional GVA generated by Year 5.

3.4 Issues

3.4.1 The Fit Out is imperative to ensure that the Vulcan Works can be occupied. The VWCH is flexible, managed workspace for start-ups and established growing businesses. Managed workspace is expected to be furnished as part of the offer. Based on similar models, the Management Operator and Businesses moving into the VWCH would require furniture as part of the offer. Without these fit out works, the centre would remain empty. For each month that the Vulcan works is delayed in opening there will be income lost of approximately £50,000.

3.4.2 This is key project in terms of bouncing back from Covid and the future economic recovery of the Town and wider West Northamptonshire. The space in creating the incubator facilities and wider business support offer, while the centre is not open it will hamper the local economic recovery and the Council's ability to offer further support to those businesses that need it.

3.4.3 The initial project budget did not account for the extent of additional roof works and delays attributed to the Victorian Workshops. The funding in the Development Pool was ringfenced once a greater understanding that additional works and time may be required to deliver the roof works. The current project budget will not be able to absorb these costs which is why the ringfenced funding is now being requested.

3.4.4 Due to the dissolution of Northampton Borough Council and the formation of West Northamptonshire Council, if the procurement of a management operator is undertaken in a timely manner and approved then there will be no executive in place until June 2021, which will delay the procurement of a Management Operator and their involvement in the project which affects the fit out and marketing of the facility.

3.5 Choices (Options)

Options for Ringfenced Funds for Fit-Out

3.5.1 Cabinet could choose to release the ringfenced funding within the Development Pool for the Fit-Out works. This would allow the VWCH to be fully lettable as close to Practical Completion as soon as possible to begin income generation for the building.

3.5.2 Cabinet could choose not to release the ringfenced funding within the Development Pool for the Fit Out works. If funding is not secured for the Fit-Out

works, the centre would remain empty until alternative funding could be sought, of which there is currently none available. Delaying the occupancy of the VWCH would in turn delay income generation for the project. This approach is not recommended.

Options for Ringfenced Funds for additional roofing works

- 3.5.3 Cabinet could choose to release the ringfenced funding within the Development Pool for the additional roofing works. This would help to cover the budget overspend related to unforeseen additional roofing works required within the project due to poor condition.
- 3.5.4 Cabinet could choose not to release the ringfenced funding within the Development Pool for the additional roofing works. The funding for the roofing work has already put a big strain on the project budget and additional funding would need to be sought to cover these costs. Again, there is nothing available at present which would delay the delivery of the project further and as a result, delay the occupation and income generation. This approach is not recommended.

Options for Ringfenced Funds for delegated authority

- 3.5.5 Cabinet could choose to delegate authority to the Acting Director of Economy and Assets in consultation with the Borough Secretary, the Chief Finance officer and the Cabinet Member for Regeneration and Enterprise to appoint a contractor for the works and equipment required to open the VWCH which will allow the successful procurement of a management operator and for them to be involved in the final stages of the hub and the marketing of the facility to future tenants.
- 3.5.6 Cabinet could choose not to delegate authority to appoint a management operator for the facility which would mean that as an executive is not in place until June 2021, the appointment of a management operator would be delayed and they would not have involvement in the final stages of the projects which affects the fit out and marketing of the hub, impacting on the success and effectiveness of the project.

4 Implications (including financial implications)

4.1 Policy

- 4.1.1 A re-developed Vulcan Works will positively contribute to the delivery of SEMLEP's recently announced Strategic Economic Plan (2017), the South East Midlands Local Industrial Strategy (July 2019), the achievement of economic growth outlined in the Cambridge – Milton Keynes – Oxford Corridor and, of course, to the Council's own Cultural Quarter outlined in the recently developed town centre master plan. It would, in particular, promote the continued development of the Cultural Quarter and also contribute to the achievement of Enterprise Zone economic development targets.

4.2 Resources and Risk

- 4.2.1 The need for this funding was identified as part of the 2019-20 budget setting process. As a result, £0.5m for the additional roof works and £1m for the fit out were itemised within the Development Pool for that year and carried forward as part of the 2020-21 budget. The purpose of the Development Pool is to identify likely future calls on the Council's capital programme. In this case, it was known that these costs would be needed in order to complete the project.
- 4.2.2 There are a number of financial risks associated with the project relating to both capital and revenue expenditure. They are identified in the following paragraphs.
- 4.2.3 The approved capital budget available for the project includes £6.3m Local Growth Funding and a further £3.062m European Regional Development Funding.
- 4.2.4 There is a risk that the building may not be occupied as quickly as anticipated or that the anticipated rentals are not achieved. This risk has been mitigated, in so far as it is possible to do so, by taking consultant advice about what the local market is reasonably likely to bear and incorporating these assumptions into the underlying financial modelling for the scheme. The Management Operator will also have a requirement to meet these anticipated levels of occupancy and rental levels.
- 4.2.5 In order to deliver the financial performance that is expected and necessary for the project to repay the borrowing required, the VWCH will need to be occupied as soon as possible. These two sets of ringfenced funding will help to achieve this.

4.3 Legal

4.4.1 As the VWCH is a new high profile enterprise, the Council has sought external legal advice and this has been reflected in the Council's approach to the key aspects of the procurement of a management operator for the VWCH together with assistance in providing the procurement documentation, management agreement and lease.

4.4.2 The procurement and appointment of a Fit Out Contractor must be undertaken in accordance with the Council's Contract Procedure Rules. Where specialist construction advice is required this must be sought from external advisors.

4.4 Equality and Health

- 4.4.1 The new-build elements of the scheme (Angel Street and St Johns) are fully accessible with lift access to all floors and Part-M compliant staircases.
- 4.4.2 The refurbishment of listed construction areas have taken all opportunities to greatly improved the access across the site, including the provision of shallow

ramps and a lift provision to the Fetter Street side to gain access to the upper floor.

- 4.4.3 An equality policy for the completed facility will be developed in partnership with the recommended operator and will be implemented by the management company.

4.5 Consultees (Internal and External)

- 4.5.1 Various consultations have been undertaken with existing operators and businesses who may use the centre to understand what they would expect to see in the fit out of a centre of this type
- 4.5.2 Ridge, the external project manager and Purcell the Architect for the project have also been consulted and have advised on the costs and requirements within the business case.
- 4.5.3 SEMLEP and MHCLG have been consulted in relation to our latest position, our outputs and programme milestones as outlined in this report.
- 4.5.4 The Executive Director for Place & Economy and the Assistant Director for Growth and Regeneration at West Northamptonshire Council have been consulted.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 Outputs required for South East Midland Local Enterprise Partnership under the Local Growth Fund are:

Primary Outputs	2014 Target
Business Units	59
Business Support	116
Businesses Created	25
Construction Jobs (16 week contracts)	286
Direct Jobs Created	174
Indirect Jobs Created	261

- 4.6.2 The primary outputs required for the European Regional Development fund is that the Vulcan works will be renovating and building 5,375m².
- 4.6.3 The further development of the designated Cultural Quarter remains a key priority as part of the recently agreed Town Centre masterplan and the redevelopment of the Vulcan Works would help to take this forward.
- 4.6.4 The Vulcan Works also sits within the boundary of the Northampton Waterside Enterprise Zone and the redevelopment will provide new business space, particularly for SME's focused on the creative & digital sector. Northampton has a competitive advantage within this sector and this would assist businesses to

develop and grow and, in the process, create new employment opportunities for people in the local area.

4.6.5 The fit out will assist in achieving the required outputs above in terms of businesses and jobs.

4.7 Environmental Implications (including climate change issues)

4.7.1 This has no impact and does not relate to the Climate Emergency motions passed at full Council in June 2019.

4.8 Other Implications

4.8.1 None identified.

5 Background Papers

5.1 The Vulcan Works Northampton- Update and appointment of main construction contractor - Cabinet Report dated 16 January 2019.

5.2 Creation of a Creative Industries Hub: Report of the Director of Customers and Communities, Cabinet Report, June 11th 2014.

5.3 Vulcan Works Redevelopment- Phase II: Report of the Director of Regeneration Enterprise and Planning, Cabinet Report, May 11th 2016;

Kevin Langley
Acting Director of Economy and Assets
01604 837740

This page is intentionally left blank

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Hardingstone Bike Park – Contractor Procurement
---------------------	--

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	24 th March 2021
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorates:	Economy & Assets
Accountable Cabinet Member:	Cllr Tim Hadland, Regeneration & Enterprise
Ward(s)	Delapre

1. Purpose

1.1 For Cabinet to note the opportunity for the Council to seek funds through the Places to Ride Programme and, subject to the application for funding being successful, to delegate authority to the Acting Director of Economy and Assets to appoint a contractor following a compliant procurement process for the works required to construct a new bike park adjacent to the Delapre Golf Course as specified in the report.

2. Recommendations

It is recommended that:

- 2.1 Cabinet supports the Hardingstone 9 Bike Park project including the acceptance of the Places To Ride application, subject to the conditions set out in 3.2.1 and 3.2.2 in the report.
- 2.2 Cabinet delegates authority to the Acting Director of Economy and Assets, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise to appoint and enter into a Contract

with the successful contractor for the construction works to convert of a disused nine hole golf course into a mountain bike centre and general outdoor facility following completion of the tender process. West Northamptonshire Cabinet will receive further reports to their Executive should these be required.

- 2.3 Cabinet notes the land annexed to this report is currently leased to Delapre Golf Club and that negotiations to release the area of the land are ongoing and subject to contract and approval by West Northamptonshire Council. The appointment of the Contractor will not complete before the land is brought back into Council control.
- 2.4 Cabinet approves a legal budget of up to a maximum of £25,000 if deemed necessary by the Acting Director of Economy and Assets in consultation with and the approval of the Borough Secretary to procure external legal expertise in construction in connection with the works proposed herein to the Bike Park.
- 2.5 Cabinet notes that West Northamptonshire Council will progress with the work set out within this report from 1st April 2021, having been consulted on the reports contents.

3. Issues and Choices

3.1 Report Background

- 3.1.1 There is a clear need for further health and wellbeing facilities within Northampton as outlined in strategic documents such as the Northamptonshire Joint Health and Wellbeing strategy 2016-2020 and the Northampton Local Plan 2.
- 3.1.2 The Northamptonshire Joint Health and Wellbeing strategy 2016-2020 sets out a range of measures to reduce health inequalities such as creating spaces, facilities and infrastructure to enable people to make healthier choices, as well as objectives to ensure people have access to leisure spaces, green and natural spaces and recreational facilities and community assets that promote health and wellbeing and improve cycling as part of an integrated infrastructure.
- 3.1.3 Northampton's Local Plan 2 sets out key priorities to address health disparity and create healthy and inclusive communities through spaces facilities and infrastructure that enable people to make healthier choices. The creation of the bike park would support the following points as captured in the local plan:
 - Physical activity – creating environments that encourage and support people to be active, through active travel, play, informal and formal leisure and sporting activities.
 - Social interaction – providing facilities and spaces that can be used for formal and informal social interaction and community activity.
 - Green infrastructure – effective incorporation of multi-functional green infrastructure, providing benefits such as access, play and recreation, attractive environments and wildlife habitat, flooding, climate and air quality management, relaxation and enhanced mental wellbeing.

- 3.1.4 A dedicated mountain biking facility is an excellent way to meet these needs and also addresses the issue of the lack of purpose built, free facilities, for either road or off-road cycling disciplines. A designated area for the growing number of off-road riders is required in the area with British Cycling having the Oxfordshire/Northamptonshire area identified as a strategic priority for cycling facility development and where the proposed facility would help meet this need.
- 3.1.5 The current closest similar facilities are the mountain bike centres provided by Forestry Agencies such as the Forest of Dean (Gloucester), Coed-y-Brenin (North Wales), and Cannock Chase (West Mids.), which provide excellent free to ride facilities and Northamptonshire riders are frequent visitors. However, the nearest of these is almost 2 hours away by car.
- 3.1.6 Closer to home, some managed facilities are available at Chicksands Bike Park and Woburn Trails, but tend to be for more advanced riders. The one thing all of these facilities have in common is the need for motorised transport to get there which makes it difficult for younger riders to access.
- 3.1.7 The proposed facility will mean Northampton can become a regional Destination Cycling Facility centre, offering inclusive mountain biking for all ages and abilities; offering a start for those with an initial interest, and inspiration to those looking to progress their skills to the highest level.

Hardingstone Bike Park Project and Places to Ride Programme

- 3.1.8 British Cycling and Sport England have the aim of developing a national network of new cycling facilities which meets local demand, making use of a £15 million investment programme from the Department for Culture Media and Sport, called Places to Ride.
- 3.1.9 The funding is available to any organisation that is developing cycling activity in their community and can be used for anything from equipment packages to activate your local space, through to a brand-new cycling facility.
- 3.1.10 The Council, working closely with its funding partner Northamptonshire Sport, a partnership of local and national organisations working together to provide opportunities for people to participate in sport, and a volunteer team, to develop an initial Stage 1 application. This project proposal is for a former nine-hole golf course (Hardingstone Course) in Northampton which is currently overgrown and returning to nature, turned into a mountain bike centre and general outdoor facility.
- 3.1.11 The project will deliver a designated off-road cycling area enabling all ages and all levels to learn, progress and hone their skills. The land has the ideal topography to be converted into off road cycling trials. Providing the area as a free-to-all facility will open mountain biking to a wider audience. The site is located less than 2km from Northampton town centre giving good accessibility and would be located adjoining existing sport/leisure uses building on the facilities in the vicinity. Given the location the

site would also benefit from traffic free cycle routes connecting the site with public transport hubs as well as major housing areas.

3.1.12 The intention would be to retain all the natural features and use the open areas of the “fairways” to construct nine ascending and descending mountain bike runs of varying difficulty from beginner level to expert, complemented by a learn to ride area. This would enable the facility to offer opportunities for individuals to progress from learning how to ride a bike to mastering challenging technical features.

3.1.13 Footpaths and nature trails would be included in the design to make use of the more natural areas. There are areas of green infrastructure outside the facility that already accommodate cross country style riding.

3.1.14 The existing golf complex already has facilities such as toilets, café, and shop facilities. These facilities would be incorporated into the project by installing bike racking in the area near the cafe to allow the users of the bike park to use these facilities.

3.1.15 The Stage 1 Places to Ride application was submitted in November 2020, with it being announced later that month that the proposal was successful in being invited to submit a stage 2 application.

3.1.16 The deadline for the second stage application was 15th January 2021, with this submission having been made, the outcome is currently being awaited.

Procurement of a principal contractor

3.1.17 The bike park tracks have been designed and costed up to a ‘Macro’ level using professional trail building company which has formed the basis of the bid submission. The next stage of more detailed designs and specification are being completed using a specialist Bike Park contractor ahead of the Tender pack being prepared for the works.

3.1.18 It is expected that a tender pack including the design work will be tendered in April 2021 with contractor appointment scheduled to take place on June 2021 (subject to approval).

3.1.19 It is proposed that an open tender process will be used to procure the works with a cap being set on the value of the works procured in line with the monies that are available at the time and limit the risk to the council. The level of the cap will be clarified when the funding announcement as part of the Places to Ride application is made and other external funding sources are exhausted.

3.1.20 If there are variations required that increase costs during the construction phases the Council will use Value Engineering of the works to control costs.

- 3.1.21 The contract terms and Terms and Conditions will be developed in consultation with the Procurement team and the Council's Legal Services team.

Operation of the Bike Park

- 3.1.22 The Council will be the lead applicant for the funding with the Council being the freeholder of the site and Northamptonshire Sport, being the operator of the proposed facility, will be responsible for the running of the facility, subject to a lease being agreed following funding approval and negotiations.

- 3.1.23 It is proposed that the designated operator of the completed facility will be Northamptonshire Sport CIO. Northamptonshire Sport, being the named operator in the funding application, it will manage finances and coordinate use of the facility with community groups. Negotiations over a lease with Northamptonshire Sport from the Council is currently underway, a lease of 25 years will be required as this is a minimum lease term for the funding agreement - this will be considered by West Northamptonshire Council.

Programme

- 3.1.24 The programme plan milestones for build and deliver are as follows:

- Application mid Jan 2021.
- Award notification end Mar 2021.
- Planning process complete end May 2021
- Procurement process complete end June 2021
- Commence build July 2021
- Completion January 2022 (Allowing 2 months contingency prior to fund closure March 2022)

3.2 Issues

- 3.2.1 Full funding terms have not yet been issued and these will be considered in detail and agreed through either delegations within the constitution of West Northamptonshire Council or brought back to the West Northamptonshire Council's Executive for a decision, where appropriate.
- 3.2.2 The site is currently leased to Delapre Golf Centre with a surrender of the land required for the bike park currently in the process of being negotiated.
- 3.2.3 A lease will be required with Northamptonshire Sport, as the proposed operator of the facility, this is currently being negotiated with a decision on this to be taken by West Northamptonshire Council.
- 3.2.4 Unofficial trails have been created in local woods and are well used by local mountain bike riders, and this does create obvious conflicts between the riders, landowners and other amenity users. A designated area for the

growing number of off-road riders will prevent this conflict and meet this clear need.

3.2.5 If the Places to Ride funding is not sufficient to complete all project outputs, then value engineering will need to take place potentially impacting on the agreed outputs with the funder, British Cycling.

3.2.6 Key risks and mitigation –

- The funding received is not sufficient to complete the project – further detailed design work is being undertaken to give a greater level of certainty on cost prior to the tender process. The designs can be value engineered if required.
- The project does not achieve practical completion by January 2022 and Financial Completion by March 2022 – The programme to design, tender and implement is clearly established from the onset of the project with clearly defined milestones and some scope for slippage within the programme.

3.3 Choices (Options)

3.3.1 Cabinet can choose not to agree to the recommendations of this report and not proceed with the works. This will mean the Places to Ride grant offer will not be achieved and the site will continue to be underutilised.

3.3.2 Cabinet can choose to accept the recommendations as presented. This option is recommended in order to develop a new bike park at the site creating a much-needed new leisure facility serving the needs of the community.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The recommendations of this report are within policy and have no policy implications.

4.2 Resources and Risk

4.2.1 The land which is shown on the attached annex is leased to Delapre Golf Club on a long lease. There have been discussions and an in-principle decision agreed with the Golf Club to release the land subject to the negotiations of a new lease.

4.2.2 The discussions to release the land back into Council ownership have been in conjunction with the proposed strategy for the site and a decision will be taken by West Northamptonshire Council through the appropriate decision making channel once the assets team have received further information on the due diligence of the transaction.

- 4.2.3 The Council has committed match funding to the project of £250,000 which is made up of a combination of S106 receipts and capital match funding which was approved by Cabinet in December 2020.
- 4.2.4 There are a number of financial risks associated with the project as outlined in section 3.2 above. In particular, the potential for unexpected issues as the work progresses, resulting in increased costs which could exceed the value of the contingencies available. However, the budget is the key factor for the project and further mitigations can be made through design engineering and ensuring value for money throughout.
- 4.2.5 Time constraints around the grant funding are also a risk to delivering the project on time and within budget. The Council will ensure appropriate mitigations are in place to minimise this risk.
- 4.2.6 The project proposes the development of a bike park with an estimated cost of £500,000, with a funding bid of £250,000 made to the Places to Ride scheme. The Council will need to fund the other 50% of funds. This funding is made up of £150,000 from S106 with £15,000 from existing budgets and £15,000 to be raised through fund raising and the remaining £70k agreed through borrowing.

4.3 Legal

- 4.3.1 The procurement for the works to the facility and award of contract must be undertaken in accordance with the Council's Contract Procedure Rules and any grant funding conditions from British Cycling. The Council should seek a fixed price to ensure no value engineering occurs after award of contract. A full cost analysis of the proposed works will need to be undertaken prior to acceptance of any external funding to ensure its viability.
- 4.3.2 Subject to Cabinet's approval of the project, the management and operation of the facility will be further considered to ensure that a suitably experienced organisation is in place to operate the facility and that the ongoing maintenance of the facility is appropriately addressed together with adequate funding.
- 4.3.3 It is noted initially at paragraph 2.3 above, and then throughout the Cabinet Report, that the proposed site for the Hardington Bike Park was leased by the Council to Delapre Golf Centre Limited on the 24th January 2005 for a term of 40 years from the 1st May 2003, and that at present negotiations are ongoing between the parties with respect to surrendering that part of the lease back to the Council.
- 4.3.4 If subject to the approval of West Northamptonshire Council (pursuant to and in accordance its Constitution and with the Scheme of Delegation to Officers) the West Northamptonshire Council are minded to proceed then it is recommended that further legal advice be obtained from Legal Services, with respect to both the transactional property elements, (including legal and financial due diligence) of this proposal and the grant funding element, (if successful) so that the obligations placed on West Northamptonshire Council with respect to same are understood, and finally legal advice with respect to the management structure to support the facility going forward once all facts,

obligations and potential liabilities connected to the proposal are known and understood.

4.4 Equality and Health

4.4.1 Services to the public will not be directly impacted as a result of the recommendation of this report. There are therefore no direct equality or health implications. However, there will be a variety of non-direct benefits that will come from this underused site coming back into use.

4.5 Consultees (Internal and External)

4.5.1 The following Council Partners and Community Projects have been engaged with regarding the proposal and advised that there is a need for this project and give it their support:

Local Government

- Northamptonshire County Council – Highways, Walking and Cycling Officer;
- Northamptonshire County Council – Community Sports Development;
- Office of Police, Fire and Crime Commissioner Diversionary and Outreach Youth Service
- Northamptonshire Police
- Hardingstone Parish Council.

Youth Services

- Learn 2 Live – <https://learn-2-live.org.uk/>
- Community Courtyard – <https://communitycourtyard.org/>
- Peak Empowerment - <https://www.peak-empower.co.uk/>
- Lowdown – <https://thelowdown.info/>
- Free2Talk – <https://www.free2talkcic.org/>
- Northampton Town FC Community Trust – <https://www.ntfcccommunity.co.uk/>
- Northampton Association of Youth Clubs (NAYC)
- Northampton Saints Foundation
- Service Six - <https://www.servicesix.co.uk/>
- Spring Boroughs Youth Hub - <https://springsfamily.org.uk/>
- Talk Out Loud – www.facebook.com/talkoutlouduk

Others

- University of Northampton
- Northampton Schools Sports Partnership (Appendix 5e)
- Delapre Abbey Trust

4.6 How the Proposals deliver Priority Outcomes

4.6.1 This report will contribute to the priority corporate outcomes of

- Improving the health and wellbeing of local people through the creation of new free to access leisure facilities within the town.

5. Background Papers

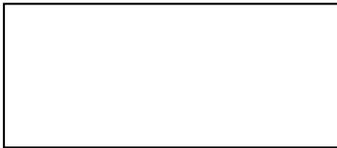
Cabinet Report – 16 December 2020 – Asset Management Disposals
<http://www.northamptonboroughcouncil.com/councillors/documents/s63285/Disposals%20Cabinet%20Paper%20Final.pdf>

Contact: Kevin Langley, Acting Director of Economy and Assets

Appendix 1

36





NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Recovery of Loan Money – Northampton Town Football Club Update on Various Recovery Streams
---------------------	---

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	24 th March 2021
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Chief Executive
Accountable Cabinet Member:	Leader of the Council
Ward(s)	ALL

1. Purpose

- 1.1 The purpose of this report is to provide Cabinet with a high level update on enforcement activities to recover the lost loan monies, covering all streams of activity by the Council and others involved through Insolvency processes.

2 Recommendations

- 2.1 That Cabinet notes this update report.

3. Issues and Choices

Report Background

- 3.1. Cabinet has received various reports on the actions the Council has taken to recover lost loan monies. Key reports considered by Cabinet on 25th April 2018 and 9th May 2018 outlined the Court activity (the litigation stream) and the Insolvency Stream both of which were seeking to recover lost loan monies. This report follows on from the report Cabinet considered in private session on 3rd April 2019.

- 3.2 In relation to the Litigation stream, the Council was successful in its litigation in the High Court (July 2018). The Court found that both Anthony and David Cardoza were in breach of their fiduciary duties as directors of NTFC. Accordingly, between them they were liable to pay the Council **£2.79M** (subject to amounts shown to have been repaid) and the costs relating to the works that David Cardoza had undertaken to his then house in Northampton. The Council were also awarded legal costs relating to the litigation.
- 3.3 Cabinet will receive a detailed report in private session as that note contains confidential and legally privileged information. However, it is appropriate, given the public interest in this matter that Cabinet receives this report in public session.

SUMMARY OF RECOVERY STREAMS

Litigation Stream	Recovery	Risk
Property 1 Sale Recovery	£131,590.16 Received	None
Property 2 Sale Recovery	Circa £280,000 Expected anytime now	low
Cardoza Residential Property	Circa £418,709.99 . Expected medium term	low
Insolvency Land Ltd ^{1st}	TBC	Medium/high
Insolvency Anthony Cardoza	TBC	Medium to high

Update Cardoza Litigation

- 3.4 **Limited Company-** Following the Judgment, NBC’s Solicitors as part of a tracing claim against a company owned by connected parties identified two properties owned by the company to recover monies as part of the Council’s enforcement strategy. Of the two properties, one has been sold and the council has received **£131,590.16** (October 2020). A second property has been on sale and completion is imminent. The expected recovery from that sale is **£280, 000**, making a recovery in the region of just over **£400,000**
- 3.5 **Order for sale- David and Christina Cardoza Family Home**
Pursuant to the High Court Judgment, NBC was granted a final charging order in respect of the family home of David and Christina Cardoza. This charge attaches to their current family home outside Northampton. The precise details of their current family home **must remain confidential at the present time because of concerns raised by the Cardoza’s about personal safety issues.**

- 3.6 Since the Judgment, NBC has applied for and obtained an order for the sale of the Cardoza's family home. This means that the Property must be put for sale for a value of not less than £650,000 unless prior to that date, Mrs Cardoza makes payment of the following sums to NBC:

Summary

- £365,975.97 (being the amount secured pursuant to the final charging order);
- NBC's costs of £15,677; and
- Interest accruing at the rate of £80.21 per day from 29 November 2019, which presently stands at £37,057.02 as at the date of this note).

- 3.7 The total sum which Mrs Cardoza must pay to NBC at around the time that this report was prepared is circa **£418,709.99**. As stated, unless Mrs Cardoza pays this sum (plus additional accrued interest) to West Northamptonshire Council(WNC) (as the successor authority) by 16:00 on 02 June 2021, unless it is agreed otherwise, the Council will require the house to be vacated and put up for sale.

3.8 Bankruptcy of Anthony Cardoza

Summary

- Anthony Cardoza was declared bankrupt on 9 April 2019.
- Following this, FRP Advisory LLP was appointed as Anthony Cardoza's trustee in bankruptcy ("**TIB**"). The TIB has the power to review and unwind "reviewable transactions" with the aim of collecting assets for the benefit of Anthony Cardoza's creditors as a whole. It would appear, as matters currently stand, that NBC is the only creditor which has come forward.
- NBC do not have direct control over FRP who are discharging a statutory role. However, NBC, as sole/major creditor does have a large interest in the outcome of any recovery FRP are currently considering a number of claims and reviewable transactions against a variety of individuals.

- 3.9 It should be noted that the costs incurred in challenging a reviewable transaction are recovered in priority to any distribution to creditors (i.e. before NBC or its successor authority (WNC) receives its money). However, at present, NBC has not contributed to any costs associated with recovery under this stream.

3.10 Deloitte / 1st Land Liquidation

Cabinet will recall that 1st Land Limited received large amount of NBC's loan monies to undertake construction of the East Stand. This money was dissipated/spent by 1st Land Limited.

- 3.11 In 2019, Deloitte proposed commencing a number of different claims as liquidator of 1st Land, which presented another route to recovery for NBC, as majority creditor of 1st Land (in liquidation). It is the liquidator who has control of these claims, not NBC, but NBC has an interest in their outcome, as majority creditor.

- 3.12 Deloitte approached NBC and asked if they would consider acting as Funder to cover the costs of bringing those claims (in return for a Funder success fee if the claims were successful and recovered sufficient sums in damages). NBC did not object to this approach in principle, as the proposed claims might have provided additional recoveries to NBC as the largest creditor of 1st Land, if successful. The potential structure of any Funding Agreement was considered and approved by Cabinet in an earlier report.
- 3.13 However, NBC has been unable to negotiate an acceptable funding agreement that had an acceptable recovery/risk profile.
- 3.14 NBC became aware via third parties that claims had been issued by Deloitte in early 2020 against:
- Mandy Grossman;
 - OGR Stock Denton LLP; and
 - Synergy Property Design Consultants Limited.
- 3.15 These claims were stated in the 24 March 2020 Liquidators' Progress Report to total approximately **£837,000**. The level of recover available to NBC as major creditors has yet to be determined but NBC is proactively engaging with Deloitte.
- 3.16 The Police as part of their processes are looking to secure relevant assets that may be called upon as part of proceeds of crime processes. NBC understand that there are certain restraint orders secured over particular properties. This is a matter for the police and ultimately the criminal enforcement processes that may follow.
- 3.17 This report and the handover issues arising will be passed onto the new West Northants Unitary Council for consideration and action as they see fit.

4. Choices (Options)

- 4.1 This is an update report and no particular decisions are requested.

5. Implications (including financial implications)

5.1 Policy

- 5.1.1 None specifically.

5.2 Resources and Risk

5.2.1 The body of the report contains the relevant information relating to financial recovery. There is risk that further costs may be incurred if additional action is undertaken, however they cannot be quantified at this time.

5.2.2 The Council is assuming c£830K will be recovered at this time, which will be offset to the Sixfields Loan Loss reserve, when received.

5.3 Legal

5.3.1 These are contained within the body of the report.

5.4 Equality and Health

5.4.1 None specifically arising from this report.

5.5 Consultees (Internal and External)

5.5.1 Corporate Management Board

5.6 Other Implications

5.6.1 None specifically

6 Background Papers

Confidential and legally privileged advice note by Osbourne Clarke Solicitors 5th
March 2021

George Candler
Chief Executive

This page is intentionally left blank

<p>Appendices</p>

<p>2</p>



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Proposed redevelopment of the former Avenue Campus to provide affordable housing
---------------------	---

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	24 March 2021
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Service Area:	Housing and Wellbeing
Accountable Cabinet Member:	Councillor Stephen Hibbert
Ward(s):	Kingsley

1. Purpose

- 1.1 At its meeting on 17 February 2021, Cabinet approved, 'in principle', the proposed redevelopment of the Avenue Campus site for affordable housing within the Housing Revenue Account.
- 1.2 Unfortunately, the two Appendices listed in the report were not included in the agenda pack issued to Members.
- 1.3 The recommendations agreed on 17 February 2021 remain unaffected. The purpose of this report, therefore, is to ask Cabinet to note the contents of the two Appendices and to affirm its decisions of 17 February 2021.

2. Recommendations

- 2.1 It is **recommended** that Cabinet notes the contents of Appendix A and Appendix B (attached to this report) and, affirming the decisions that it made on 17 February 2021:

- a) Approves, 'in principle', the redevelopment of the Avenue Campus site (within the Housing Revenue Account) to provide up to 170 affordable homes, subject to satisfactory due diligence and planning approval of the reserved matters application for 112 homes;
- b) Delegates to the Director of Housing and Wellbeing, in consultation with the Chief Finance Officer, the Borough Secretary, the Cabinet Member for Housing and Wellbeing and the Cabinet Member for Finance, the authority to approve the new affordable housing scheme, subject to planning approval and due diligence and following the outcome of the Council's application for funding from Homes England;
- c) Delegates to the Director of Housing and Wellbeing, in consultation with the Chief Finance Officer and the Cabinet Member for Housing and Wellbeing, the authority to determine the rent levels and services charges for the new affordable homes; and
- d) Delegates to the Director of Housing and Wellbeing, in consultation with the Cabinet Member for Housing and Wellbeing and Northampton Partnership Homes, the authority to develop and approve a Local Lettings Policy that determines how the homes are allocated; and
- e) Notes that, if this development and approval of this affordable housing scheme cannot be concluded by 1 April 2021, this work will need to be concluded by the new West Northamptonshire Council through its governance processes and relevant Officers.

3. Issues and Choices

3.1 Report Background

3.1.1 The Avenue Campus is located on St George's Avenue, opposite The Racecourse public park as shown in the aerial photo below.



3.1.2 As the University has now relocated most of its functions to its new Waterside Campus, the Avenue Campus is surplus to its requirements and, following a marketing campaign, the University has agreed to sell the Avenue Campus (including the Newton Building) to the Council.

- 3.1.3 On 16 December 2020, Cabinet approved the purchase of The Avenue Campus (subject to satisfactory due diligence) through the Housing Revenue Account in order to increase the supply of affordable housing.
- 3.1.4 The respective legal teams appointed by the Council and the University of Northampton are working to conclude the conveyance of the Avenue Campus with an agreed completion date of no later than 31 March 2021.
- 3.1.5 When Cabinet considered the purchase on 16 December 2020, it was agreed that Cabinet would receive further reports that set out proposals for the future use of the Newton Building (a Grade II listed building) and the redevelopment of the Avenue Campus site to provide affordable housing.
- 3.1.6 On 20 January 2021, Cabinet noted Northampton Partnership Homes' intention to relocate from the Westbridge Depot site to the Newton Building, subject to agreement with the Council on the terms of the lease.

3.2 Issues

Funding the development of affordable housing

- 3.2.1 Although the University secured a resolution to grant planning permission (subject to satisfactory completion of a s.106 agreement) for a development of up to 170 homes on the Avenue Campus site, its application did not include provision for any affordable housing due to viability.
- 3.2.2 In order to increase Northampton's supply of affordable housing and help to meet the housing needs of applicants on the Housing Register – including homeless households living in temporary accommodation – it is proposed that the whole of the Avenue Campus is developed as affordable rented housing.
- 3.2.3 The provision of affordable housing can be achieved by securing grant funding from Homes England, by using Right to Buy receipts from the sale of council homes or by developing a scheme with a mixture of affordable tenures.
- 3.2.4 The Council's Finance Team and Northampton Partnership Homes (NPH) have worked closely to complete a joint assessment of the cost of developing 170 affordable homes on the Avenue Campus site and the amount of subsidy that will be needed in order to make the proposed development viable.
- 3.2.5 The feasibility of delivering 170 units on the site (and in particular the 112 units to be delivered under the outline permission) is to be reviewed as part of the due diligence to be carried out in accordance with the terms of the delegation granted for the purchase of Avenue Campus (set out at decision 2.1(d) to item 20 of the 16 December 2020 Cabinet meeting). It is noted that if the site was unable to deliver 170 units under the detailed and outline permission, this may have an impact on funding.
- 3.2.6 If Cabinet approves, 'in principle', the redevelopment of the Avenue Campus site (within the Housing Revenue Account) for affordable housing, the Council will submit an application to Homes England for a grant that will be sufficient to ensure the viability of the development of 170 affordable rented homes.
- 3.2.7 If Homes England will not award the amount of funding that is required, the Council's Finance Team and NPH will review the relative merits of four other subsidy options in order to determine which of them is most favourable in terms of viability and the Council's strategic housing objectives:

- The use of capital receipts from former council homes that have been sold under the Right to Buy;
- The use of market rental properties to subsidise the development of affordable rented homes in a mixed tenure scheme;
- The use of market rental properties and Homes England grant to subsidise the development of affordable rented homes in a mixed tenure scheme; or
- The use of market rental properties and capital receipts from the sale of former council homes to subsidise the development of affordable rented homes in a mixed tenure scheme.

Proposed development of the Avenue Campus

3.2.8 In November 2020, the Council's Planning Committee made a resolution to grant planning (subject to satisfactory completion of a s.106 agreement) in respect of the University of Northampton's hybrid planning application for up to 170 new homes, including:

- Full planning consent for the part demolition, conversion and extension of the Maidwell Building to provide 58 new homes; and
- Outline planning consent for the demolition and conversion of the remaining buildings on the site (excluding the Newton Building which was not part of the application) and the erection of new buildings to provide residential accommodation of up to 112 homes.

3.2.9 It is noted that until such time as this (or an alternative permission for residential development) is granted, the Avenue Campus site does not benefit from a planning permission for residential development.

3.2.10 It is now proposed that, on behalf of the Council, NPH will progress the development of the Avenue Campus site as follows:

- NPH will appoint a heritage and conservation consultant to provide specialist advice in relation to the design and phasing of the part demolition, conversion and extension of the Maidwell Building in order to provide 58 new homes; and
- NPH will submit a reserved matters application for the remaining 112 homes which will include the following:
 - Conversion of the Basset Lowke halls of residence into an apartment scheme of 48 family homes;
 - Conversion of the Quinton Building into a family home;
 - Construction of 63 new family homes; and
 - Site-wide landscaping and infrastructure.

Development of the Maidwell Building (58 homes)

2.2.11 Although it is proposed that most of the Maidwell Building (pictured below) will be demolished, the two pavilions (highlighted in yellow) which front onto St George's Avenue will be retained and converted into 26 apartments.



3.2.12 The detailed planning consent for the Maidwell Building comprises part demolition and new build, and part conversion and refurbishment of the two pavilions, in order to allow for the development of a total of 58 apartments.



Photo: One of the Maidwell Building's two pavilions that are to be retained



Artist Impression: Front elevation of the Maidwell Building, showing retained and new build elements

3.2.13 NPH will appoint a heritage and conservation consultant to provide it with the specialist advice it requires in relation to design and phasing of the scheme.

3.2.14 This is critical to ensuring that the replacement central core of the Maidwell Building (the infill terraces) provides a high quality new addition that enhances not just the locally listed elements that are being retained but also the Kingsley Conservation Area, especially when viewed from The Racecourse.

3.2.15 NPH will also appoint a fire consultant to ensure compliance with all regulations, including all of the recommendations from the Hackett Review that was undertaken in the aftermath of the Grenfell tragedy. This will include provision for a fire sprinkler system due to the height of the building.

3.2.16 Detailed design on the site will also be accompanied by a comprehensive landscaping scheme which will further reinforce the design and setting.

3.2.17 Initial reviews by NPH on the application and designs submitted by the University suggest that there are concerns with the practical feasibility of the scheme currently submitted. Once further design work is carried out, NPH may need to submit a non-material amendment or section 73 application to the Local Planning Authority (LPA), to amend the conditions (in particular the approved plans) to the detailed application.

3.2.18 Any such application will be subject to the normal planning procedure and the LPA will need to be satisfied that the amendments accord with planning policy and in particular continue to be sensitive to the heritage elements of the Maidwell Building.

Conversion of the Basset Lowke Building (48 homes)

3.2.19 Subject to planning approval of the reserved matters application, it is proposed that the Basset Lowke Building is retained and converted into apartments.

3.2.20 The Basset Lowke Building (pictured below) was constructed, as a student hall of residence, in the late 1990s. The building extends over four floors and comprises 248 ensuite student bedrooms and communal space.



3.2.21 Although consideration was given to demolition and new build, early feasibility work has indicated that it is possible to convert the Basset Lowke Building into 48 family apartments at the Nationally Described Space Standard (NDSS).

3.2.22 Conversion of the Basset Lowke Building into 8 two-bedroom apartments and 40 three-bedroom apartments offers the following advantages:

- It is more environmentally sustainable to retain and reconfigure the building than demolish it and build new homes;
- It is less expensive (in this instance) than demolition and new build;
- It helps to retain the existing character of the site;
- It enables the continued use of existing parking provision where possible;
- It is less disruptive to local residents; and
- It will deliver the new homes earlier than if the building is demolished and new homes built. (This is especially important, given the urgent need to reduce the number of families living in temporary accommodation).

3.2.23 The proposed conversion of the Basset Lowke Building can benefit from the learning that the Council and NPH gained from the conversion of Overslade House into Centenary House (a family apartment scheme) in 2019.

3.2.24 Learning points from Centenary House (pictured below) include the value of:

- A balcony for each apartment (to provide private external amenity space);
- Safe play space for younger children;
- Good quality, family-friendly specification, including acoustics; and
- Secure bicycle storage.



3.2.25 As with the Maidwell Building, NPH will appoint a fire consultant to ensure compliance with all regulations, including all of the recommendations from the Hackett Review undertaken in the aftermath of the Grenfell tragedy. This will include provision for a fire sprinkler system due to the height of the building.

3.2.26 It is noted that the outline application did not include plans to retain the Bassett Lowke Building. Whilst the committee report to the hybrid application does reference the potential for '*sensitively sited and designed taller buildings to come forward at reserved matters stage*', any plans to retain the Bassett Lowke Building will need to be submitted as part of reserved matters applications. These are subject to approval by the LPA in accordance with normal planning procedure and retention of the Bassett Lowke Building as part of the current hybrid application cannot be guaranteed at this stage.

Conversion of the Quinton Building into a family home

3.2.27 The Quinton Building (pictured below) was originally a family home, but has since been used as a site office for many years.



3.2.28 Although it is likely that the Quinton Building will continue to be used as a site office during the redevelopment of the Avenue Campus – due to its location near to the front of the site – it is envisaged that the building will be converted back into a family home towards the end of the development.

Construction of 63 new family homes

3.2.29 It is proposed that, in addition to the 107 homes that are to be delivered through the development and conversion of the Maidwell Building, the Bassett Lowke Building and the Quinton Building, NPH will build 63 new homes.

3.2.30 In order to deliver a balanced wider development and subject to approval of the reserved matters planning application, it is proposed that the 63 new homes will be a mixture of terraced and semi-detached family-sized houses.

3.2.31 This arrangement will ensure that the development of the Avenue Campus does not exceed the 170 homes that were approved in the outline consent.

Site-wide place-making

3.2.32 Subject to planning approval, it is proposed to adapt the site plan slightly from the outline application. Although the vehicle and pedestrian entrance points and main scheme roads will be retained, it is proposed that the internal site road layout will be adjusted slightly to allow for the retention of the Bassett Lowke and Quinton Buildings and the construction of 63 new build homes.

3.2.33 The core principles of the outline application will still stand:

- A strong understanding of the important heritage legacy of the site which reinforces the connectedness of the new and old buildings;
- A housing development with a strong sense of place that is safe and attractive;
- Crime prevention principles (including active frontages, natural surveillance, appropriate lighting, durable materials that discourage graffiti);
- Inclusive design (including lift access within apartment buildings, accessible parking strategy);
- High quality landscaping;
- Retention of protected trees;
- Incorporation of wildlife (including the wildlife reserve area) managed for biodiversity enhancement;
- Provision for play;
- Creation and promotion of new strategic pedestrian and cycle links; and
- Integration of drainage attenuation/sustainable urban drainage system.

Design development and construction

3.2.34 Once the site acquisition is complete, the redevelopment will be delivered by NPH on behalf of the Council as the Council's Development Agent.

3.2.35 NPH has delivered more than 200 new council homes to date and is currently in contract for 220 new council homes in construction with over 300 homes with planning consent that are due to start on site during 2021.

3.2.36 NPH has an in-house team of quantity surveyors, building surveyors, clerk of works and project managers and a supply chain for design and construction.

3.2.37 NPH will appoint a design team to develop the technical design including specialist consultants for heritage and fire safety.

3.2.38 NPH will undertake a number of follow-up site investigations, including ground investigations. Although the University undertook a number of surveys to support its outline application, it is important that further surveys are undertaken to inform the final design and mitigate unnecessary additional costs that can be avoided by considering challenges and constraints.

3.2.39 NPH will seek pre-application advice from the Council's Planning Service and other key statutory consultees such as Highways, Northamptonshire Police and Environmental Health.

3.2.40 During design development, NPH will develop (with its design team and supply chain) a logistics and construction programme which takes into account:

- The time frames for planning consent;
- The completion and earliest possible occupation of Basset Lowke to deliver homes and bring a rental income stream into the scheme as soon as achievable;
- Health and safety: safety of contractors, visitors, NPH staff and future occupants as phases of the scheme complete. NPH will appoint an independent principal designer with responsibility for health and safety and how it is managed throughout the programme; and
- Feasible phasing of the works across the site including demolition.

3.2.41 Following design development and feedback from statutory consultees and subject to the hybrid application being granted by the Local Planning Authority, NPH (on behalf of the Council) will:

- Submit a reserved matters application for the 112 homes in the outline planning consent;
- Address the planning conditions that are in place for the detailed consent for the Maidwell Building and the outline planning consent. This will include submitting any non-material amendment or section 73 applications that may be required to amend conditions to the detailed consent; and
- Liaise with the Council's Building Control Team in relation to the technical design development.

3.2.42 COVID-19 has increased programme and cost risk in construction. This is managed through the contract to ensure a fair approach for both contractor and NPH / the Council. The contract will allow for reasonable delays (for example if there is another lockdown or materials are restricted) but not for additional exposure to an increase in cost. This contractual provision is becoming common in many construction contracts due to COVID-19.

3.2.43 NPH will procure and enter into contract with the contractors to undertake the works and, after appointing a main contractor to undertake the works, it will manage the construction contract, oversee the works and manage the cost, programme and quality.

- 3.2.44 Throughout the construction, NPH will monitor the programme and the quality of work before making staged payments to the value of the works completed, but with a 2.5% retention of the final contract sum being held at the end of construction for a 12-months defect period.
- 3.2.45 During this 12-months defect period, regular site visits will be carried out jointly by NPH and the contractor (to deal with any defects that arise) and the final contract sum will be retained by the Council.
- 3.2.46 Works will be covered by a 10-year NHBC (or similar) warranty. Certain products (e.g. roofs) may have longer warranties which the Council can also benefit from should the need arise.
- 3.2.47 At the end of the defect period, NPH's Maintenance Team will take on the responsibility for all repairs and maintenance of the completed homes.

Housing lettings and management

- 3.2.48 The new homes will be developed, let and managed by NPH in accordance with the Management Agreement.
- 3.2.49 Once completed, the homes will be let as permanent affordable rented accommodation as part of a wider initiative to maximise the supply of affordable housing and reduce the use and cost of temporary accommodation.
- 3.2.50 The proposed scheme has a useful mixture of one, two, three- and four-bedroom houses and apartments and is in a good location due to its proximity to local services, employment and public transport.
- 3.2.51 To help establish a mixed and sustainable community it is proposed that a Local Lettings Policy is introduced to determine the way in which the homes are allocated.
- 3.2.52 Modelled on other housing schemes (such as Centenary House) the Local Lettings Policy will aim to strike the right balance between existing council tenants, homeless households and other applicants on the Housing Register.
- 3.2.53 In common with other applicants, new tenants will be provided with Introductory Tenancies for the first year and, as long as they comply with their tenancy conditions, their tenancies will then be converted into secure tenancies.
- 3.2.54 It is proposed that the homes will be let at affordable rents (up to 80% of the market rent) but 'capped' at Local Housing Allowance (LHA) rates.

3.3 Choices (Options)

Option 1 (recommended)

- 3.3.1 Cabinet can choose to redevelop the Avenue Campus for affordable housing.
- 3.3.2 This option is recommended because the Avenue Campus offers the Council and NPH an excellent opportunity to increase Northampton's supply of affordable rented accommodation – in a sustainable location and within a relatively short timescale – and help to reduce, directly and indirectly, the use and cost of temporary accommodation.

Option 2 (not recommended)

3.3.3 Cabinet can choose to do nothing.

3.3.4 This option is not recommended because, if the Avenue Campus is not redeveloped, it will not help to increase the supply of affordable housing or meet the housing needs of residents and, as no rental income is generated, the cost of the borrowing incurred in purchasing the site will have an adverse effect on the Housing Revenue Account.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The redevelopment of Avenue Campus as affordable rented housing for households on the Housing Register will help the Council to meet its policy objectives of maximising the supply of affordable housing and reducing, directly and indirectly the use and cost of temporary accommodation.

4.1.2 The proposal supports the Council's three strategic priorities as set out in the 2018 – 2020 Corporate Plan:

- A stronger economy;
- Resilient Communities; and
- Exceptional services to be proud of.

4.2 Resources and Risk

4.2.1 The financial viability of the development of Avenue Campus for affordable housing has been appraised by NPH and the Council's Finance Team using the ALMO Appraisal Model, which takes the following into account:

- The total scheme costs
- Subsidy provided by one of the following:
 - Grant from Homes England
 - Capital receipts from former council homes that have been sold under the Right to Buy;
- Interest on borrowing
- Management and maintenance costs; and
- Rent levels

4.2.2 The financial appraisal (see Exempt Appendix B) has shown the scheme has:

- A Net Present Value (NPV) of £5,330,790 over 40 years;
- An Internal Rate of Return (IRR) of 4.53%; and
- A payback period of 20 years.

- 4.2.3 As set out at paragraph 3.2.5 above, the financial appraisal is based upon delivering 170 units on the site. The feasibility of delivering this number is to be reviewed as part of the due diligence for the purchase of the site (to be carried out in accordance with the delegation given under decision 2.1(d) to item 20 of the 16 December 2020 Cabinet meeting).
- 4.2.4 It is noted that if the site was unable to deliver this number of units, this may have an impact on the current financial appraisal.

4.3 Legal

- 4.3.1 It is noted at paragraph 3.2.6 above that grant funding from Homes England to support the re-development scheme as envisaged above is still to be applied for by the Council. It is understood in the event of either (a) grant funding is not secured or (b) the grant funding sum received from Homes England generates a financial shortfall for the Council, that in either circumstance the Council will consider a number of alternative subsidy options in order to determine which alternative subsidy option, may be the best placed to support the re-development scheme. It is to be recommended however that Cabinet as part of its decision-making process connected with Cabinet's approval of the proposed re-development scheme must be able to consider a comprehensive business case on each of the proposed subsidy options identified above, so that Cabinet can properly and appropriately exercise its discretion in this matter.
- 4.3.2 It is noted above that there are a number of planning related steps to be undertaken by NPH on behalf of the Council, in order to secure the delivery of the re-development scheme as outlined above.
- 4.3.3 This includes the grant of planning permission itself which, at this time, is not secured. There will also be a judicial review period of 6 weeks following the grant of permission in which challenges may be brought against the LPAs decision to grant permission.
- 4.3.4 A review of the risks of judicial review in relation to the hybrid application is to be dealt with as part of the due diligence to be carried out in accordance with the delegation given under decision 2.1(d) to item 20 of the 16 December 2020 Cabinet meeting.
- 4.3.5 At paragraph 3.2.26 it is noted with respect to the Basset Lowke Building, Quinton Building, and the proposed construction of 63 homes, that progress and redevelopment of same will be subject to a reserved matters planning application. A reserved matters planning application deals with some or all of the outstanding details of the outline application proposal. The reserved matters planning application must be in line with the outline approval including any conditions attached to the permission and approval of reserved matters must be obtained from the Council in its capacity as the Local Planning Authority (LPA) before work can commence. As set out at paragraph 3.2.26 above, the retention of Bassett Lowke Building did not form part of the outline application and so whilst there is scope for the LPA to approve this, there is no guarantee that it will.

- 4.3.6 It is noted at paragraph 3.2.29 above that NPH will engage with the Council, in its capacity as the LPA in seeking pre-application advice, but Cabinet are advised that this process for the LPA is non-binding, merely indicative and will not determine how a future decision may be taken. The Council through NPH will need to rely upon its own endeavours and own advisors on the merits of application for planning permission.
- 4.3.7 It is noted at paragraph 3.2.17 above that with respect to the Maidwell Building that NPH plan on behalf of the Council to address with the LPA the planning conditions imposed on the development of the Maidwell Building. Section 73 of the Town and Country Planning Act 1990 provides for applications for planning permission to develop land without complying with previously imposed planning conditions. Due to potential design issues with the detailed scheme, NPH may need to make such an application to amend the current approved plans. The Council in its capacity as the LPA can grant permission unconditionally, or subject to different conditions, or can refuse the application if the LPA decides the original conditions should be kept. As the proposed re-development scheme is at an early stage in the planning process, it is recommended that Cabinet or the successor authority, West Northamptonshire Council, is provided with regular and further reports on the progress of the re-development scheme as part of the decision making process.
- 4.3.8 Cabinet is advised that further detailed planning due diligence which forms part of the due diligence exercise to be undertaken by the Council in advance of acquisition is still pending at the time of this report, and that Cabinet will receive further reports with respect to the planning issues highlighted above and other planning and property matters in due course.
- 4.3.9 It is understood that additional existing fixtures and fittings are under consideration by the Council at present , as part of the overall transaction to acquire Avenue Campus. Cabinet or the successor authority, West Northants Council, will receive further report with respect to same in due course.
- 4.3.10 Cabinet as part of the decision-making process has a duty to consider and co-operate with the West Northamptonshire Unitary Council. West Northamptonshire Council will also require further updates on this project through its governance structure.

4.4 Equality and Health

- 4.4.1 The action proposed in this report will help to improve the housing conditions and life chances of people with protected characteristics including people with disabilities and families with children. This proposal will therefore have a positive impact on Equality and Diversity.
- 4.4.2 Maximising the supply of new homes is part of the Council's commitment to improving communities and our town as a place to live.
- 4.4.3 When developing the Local Lettings Policy, the Council will have due regard to its Public Sector Duty and will continue to work to tackle discrimination and inequality and help to create a fairer society.

4.5 Consultees (Internal and External)

4.5.1 The Senior Management Teams of the Council and NPH have worked collaboratively on the proposed redevelopment of Avenue Campus.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The action proposed in this report will help meet five of the priorities in the Council's corporate plan:

- More Homes, Better Homes
- Shaping place and driving growth
- Creating a thriving and vibrant town
- Spending our money wisely
- Putting the customer first

4.7 Environmental Implications (including climate change issues)

4.7.1 As part of the design development, NPH will endeavour to minimise the environmental impact of the scheme in construction and through the choice of materials and a waste and recycling plan with the contractor.

4.7.2 The scheme design will seek to ensure the homes are affordable to heat and contribute to carbon reduction. This will focus on a 'fabric first' approach (high quality insulation, roofing, windows and doors) with the use of renewable energy where appropriate.

4.7.3 Although parking spaces are available in the proposed scheme, the site's town centre location is likely to reduce the need for car use and electrical vehicle charging points will be included.

4.7.4 Secure bicycle storage is to be included in the proposed scheme.

4.7.5 NPH will work with the contractor to produce a 'new home' pack which will include energy saving tips for new residents and to encourage recycling in the recycling provision which will be included as part of the scheme's waste management policy.

4.8 Other Implications

4.8.1 There are no other implications

5. Background Papers

Corporate Plan 2018 – 2020

Cabinet Report 'Purchase of the University's Avenue Campus, including the Newton Building', 16 December 2020

Cabinet Report 'The Future use of the Newton Building', 20 January 2021

Cabinet Report 'Proposed redevelopment of the former Avenue Campus to provide affordable housing', 17 February 2021

6. Appendices

Appendix A: Site Plan of the Avenue Campus (edged in red)

Appendix B: Exempt Appendix (Financial Information and Appraisal)

7. Next Steps

7.1 The following table provides an indicative summary of the next steps if Cabinet approval to proceed is granted:

DATE	ACTIVITY
February – April 2021	Conclusion of freehold acquisition of site Submission of Homes England application
April – June 2021	Additional site surveys Submission of reserved matters application Outcome of Homes England application.
June – August 2021	Design development of Maidwell Building Outcome of reserved matters application Site-wide demolition programme
August – December 2021	Procurement of main contractor
January 2022	Phased construction commences

Phil Harris
Director of Housing and Wellbeing



NORTHAMPTON
BOROUGH COUNCIL

Title: **Avenue Campus**

© Crown copyright and database rights 2020 Ordnance Survey licence no. 100019655

Date: 30-11-2020

Scale: 1:1,500

Page Size: A3

Drawn by: NPH GIS



This page is intentionally left blank

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank