



CABINET REPORT

Report Title

Request for Capital Grant - 78 Derngate

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	05 December 2018
Key Decision:	NO
Within Policy:	YES
Policy Document:	YES
Service Area:	Finance
Accountable Cabinet Member:	Cllr J Nunn
Ward(s)	All

1 Purpose

The purpose of the report is:

- 1.1 To seek approval from Cabinet to award a Capital Grant to 78 Derngate of up to £200K to provide match funding, toward a capital project to improve the Trust's financial sustainability and improve the visitor experience.

2 Recommendations

- 2.1 To approve the award of up to £200K as a Capital Grant to 78 Derngate as match funding and include in the Capital Budget for 2019-20.
- 2.2 To delegate to the Head of Service Customer and Communities in conjunction with the Cabinet Member for Community Engagement and Safety, Councillor King and Chief Finance Officer, the assessment matched funds and award of the grant.

3 Issues and Choices

3.1 Report Background

- 3.1.1 The Trustees for 78 Derngate have requested assistance with funding a major capital investment which will improve the visitor experience, accessibility and support the Trust's financial sustainability. 78 Derngate is the cornerstone attraction to the Northampton Cultural Quarter.
- 3.1.2 The Trust has a good turnover and is able to sustain its revenue costs, however it is not able to set aside funds that it should to prudently provide for future fabric and infrastructure investment. The grant would be matched with funds from HLF and/or benefactors. The investment would see the facility more capable of holding moderate sized events and host larger numbers of visitors. It would also improve the accessibility of the venue, gardens, shop and café areas.
- 3.1.3 Further details of the Trust and the project, provided by the Trust, are included in the Appendix. The indicative cost of the proposed improvements is estimated to be between £300K and £400K.
- 3.1.4 The match funding proposal would see Northampton Borough Council providing a £ for £ match to funds acquired by the Trust from either the HLF and/or benefactors, up to a maximum contribution of £200K.

3.2 Issues

- 3.2.1 The Trust will need to provide detailed plans and costings of the project, seek formal planning permission and appropriate approvals.
- 3.2.2 The Trust will need to apply for HLF support and/or funding from benefactors or other sources to access the Council's match funding, they will also have to demonstrate they have access to funds to support any cost over-run.

3.3 Choices

- 3.3.1 Cabinet have the choice to approve the award of capital grant, in principle and include in the Capital Programme for 2019-20, or decline the request.

3.4 Next Steps

- 3.4.1 The Trustees will develop a final costed design for the extension and seek funding from the Heritage Lottery Fund and local benefactors. Once the project cost is refined and the match funds proven, the Head of Service for Housing and Wellbeing will release the appropriate value of Capital Grant.

4 Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications arising from this report.

4.2 Resources and Risk

4.2.1 There are no risks associated with this request. The resources required are in the main body of the report and will only be released if match funding is acquired.

4.3 Legal

4.3.1 In order to ensure that financial safeguards are in place it may be necessary to consider an appropriate legal agreement with the Trust which can be processed by the Borough Secretary in consultation with the Cabinet Member for Customers and Community Safety and the Chief Finance Officer.

4.4 Equality and Health

4.4.1 There are no equality and health issues. Although supporting this application will improve accessibility to this cultural facility.

4.5 Consultees (Internal and External)

4.5.1 Trustees of 78 Derngate and the Corporate Management Board

4.6 How the Proposals deliver Priority Outcomes

4.6.1 This supports the Council's Corporate Plan objective of supporting the development and sustainability of the Cultural Quarter. Which in turn supports tourism and the visitor experience to Northampton.

4.7 Other Implications

4.7.1 None

5 Background Papers

None

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Outline case for extending the atrium area at 78 to 82 Derngate

78 Derngate is the only Charles Rennie Mackintosh house outside of Scotland. Its significance to the heritage of the nation cannot be overstated nor its influence on architecture and design in the early years of the 20th Century. It is a key attraction for the town with visitors from around the world.

This proposal should be seen in the context of a diminishing high street retail sector which is a trend throughout the UK not just Northampton and all towns are seeking ways to breathe life back. This proposal offers one way to back a successful enterprise that forms a key part to the Cultural quarter of the town.

With the relocation of the University, the need and demand for better and unique cultural activities cannot be ignored.

82 Derngate is a Grade 2 listed building within the Derngate conservation area of Northampton, it forms part of the Charles Rennie Mackintosh House and galleries. It provides accommodation for the reception, video room, shop, restaurant, two galleries, office and meeting rooms plus cloakrooms on three floors and a basement.

The aim for undertaking this building project is to provide several benefits. The Trust has been in existence for 20 years with no public revenue funding. Each year it has made a cash surplus but there remains a risk that in the future there will not be the reserves to maintain and replace worn out infrastructure and materials. The extended floor space will provide for a better and bigger shop with better customer flow, producing more sales. Whereas the existing configuration makes it almost impossible to cater for a normal coachload of visitors, the proposed layout will provide an area sufficient to manage this lucrative trade. It will enable more events to be produced, bringing in a new revenue stream and provide a corporate hospitality venue. The Trustees believe this will be a more sustainable business model which will draw in new audiences for the House. We have gained a reputation for the sale of quality craft and art works. We would like to provide a venue for performing arts to the same standard.

The extra space created by the extension will provide the possibility for improved independent disabled access. At present we must use temporary ramps to enable access. This increased accessibility will not only benefit the wheelchair disabled but also provide us with an opportunity to reconfigure and improve the customer flow through the three properties. The increase in floor space will also help to provide better education facilities, especially for schools.

The overall aim is to provide increased revenue to build the necessary funds to ensure the long-term future of this national treasure.

The new extension will extend to the bottom edge of the steps and in line with the rear wall of 82 Derngate. The extension will be double height with a flat roof. The extension could enable the construction of a mezzanine area at first floor level.

The new area will enable relocation of the shop from the room it is in presently and the option for this to become either the Management office or a coffee bar. The atrium will also house a new reception desk. The new shop area will triple the existing selling space. It will provide independent disabled access to 80 Derngate where the lift is located.

The new mezzanine will create a flexible space linked to the existing galleries. This would provide extra exhibition space, a public performing area capable of seating an audience of up to 100 people and the flexibility needed to cater for larger groups and corporate events. It will enable better disabled access to all galleries.

General lighting will be needed for the area. This will need to be accessible without the use of scaffolding. For the shop area a generous number of floor sockets will be needed to provide display lighting. For the mezzanine areas spot lighting for wall exhibits will be required.

Heating for the area at present is provided by gas radiator central heating. These could either be moved or underfloor heating could be considered. An additional benefit may arise if the solar gain and excess heat generated by the new construction to be ventilated to 78/80 via a heat exchanger providing free/cheap heating for these buildings where the existing infrastructure could be adapted relatively cheaply.

If possible, we would like more storage space for chairs etc. A void may be created where the existing steps are. This will need to be dry and secure.

The possibility exists to create outside terraced seating and access to the garden.