

Appendices

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**NORTHAMPTON**
BOROUGH COUNCIL**CABINET REPORT****Report Title****Vulcan Works****AGENDA STATUS: PUBLIC**

Cabinet Meeting Date:	8 th October 2014
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Customers and Communities
Accountable Cabinet Member:	Cllr Brandon Eldred
Ward(s)	Castle

1. Purpose

- 1.1 To seek authority to take the next key steps to progress the redevelopment of the former Vulcan Works for the creation of a creative industries hub in the town's Cultural Quarter.

2. Recommendations

That Cabinet:

- 2.1 Agree in principle to the acquisition of 4 - 6 Angel Street from Northamptonshire County Council and delegate to the Director of Regeneration, Enterprise and Planning, in consultation with the Cabinet Member for Regeneration, Enterprise and Planning, authority to negotiate the terms of the acquisition, at price that is no more than the independently determined market value and subject to necessary funding being identified.
- 2.2 Appropriate the whole of the site for planning purposes under Section 122 of the Local Government Act 1972 and extend this appropriation to include 4 - 6 Angel Street when acquired.

- 2.3 Agree that a consultation exercise is undertaken with business proprietors operating within the vicinity of the Vulcan Works site and the occupiers of adjoining residential property, ahead of the planning application for Vulcan Works, which will be submitted in November 2014.

3. Issues and Choices

3.1 Report Background

Cultural Quarter

- 3.1.1 In January 2013 the council announced the designation of the area of the town centre comprising Guildhall Road and Derngate as the Northampton Cultural Quarter. Furthermore the council agreed that the future development of the Cultural Quarter would be an important new addition to the Northampton Alive stable of projects.
- 3.1.2 The purpose of the Cultural Quarter is to significantly enhance the town's reputation as a first class cultural venue, a place with a diverse and extensive offer, a great atmosphere and a tangible energy.
- 3.1.3 The vision for the Cultural Quarter is to create an attractive, cosmopolitan cultural environment focused around the town's four key arts venues, offering a range of entertainment and events, good food and drink, residential opportunities and workspaces for artists, designers and creative businesses.
- 3.1.4 In order to transform the purpose and vision into reality, a Cultural Quarter options appraisal was commissioned. The redevelopment of the Vulcan works was one of the major projects identified via that process.

Vulcan Works

- 3.1.5 Located at 34 - 38 Guildhall Road, the Vulcan Works occupies a prominent position in the Cultural Quarter, adjacent to the Northampton Museum and Art Gallery and opposite the Royal and Derngate Theatres.
- 3.1.6 It is also a key site within the Northampton Waterside Enterprise Zone.
- 3.1.7 Redevelopment of the Vulcan Works will entail refurbishing the buildings on the former factory site and replacing several semi derelict buildings in the immediate vicinity with a new building to create managed workspaces to support local creative businesses. The new build will be physically linked to the former factory which is a Grade II listed property, bringing it back to productive use.
- 3.1.8 Redevelopment of the Vulcan Works will directly assist 60 businesses and create and sustain 240 jobs. It will provide workshop, office and studio units, offered on affordable and flexible terms to creative SMEs, meeting demand and needs identified in the options appraisal.
- 3.1.9 In June this year, Cabinet agreed to:

- Authorise the council's application to the ERDF to obtain funding for the redevelopment of the Vulcan Works, including approval of the business case upon which the ERDF funding application will be contingent.
- Award tenders, in accordance with the Council's procurement policy, for consultancy, construction and other goods and services, required for the successful redevelopment of the Vulcan Works, as set out in this report.
- Put in place governance arrangements for the effective operation and management of the redeveloped Vulcan Works.
- Do all that is reasonably necessary to progress the redevelopment of the Vulcan Works through to completion, provided such actions are generally consistent with the proposal to redevelop the Vulcan Works set out in this report and are in accordance with council policies and procedures.

3.1.10 Since June Cabinet, the timeline for the delivery of the Vulcan Works project has been revised as follows, although this timetable may change, depending on stipulations and criteria set down by external funding bodies we choose to apply to:

- Outline business case – October 2014
- Design completed – October 2014
- Funding package developed and bids submitted – December 2014
- Out to tender – July 2015
- Tender award – October 2015
- Construction commencement – December 2015
- Completion – December 2016
- Full opening – April 2017

3.2 Choices (Options)

3.2.1 Redevelopment of the Vulcan Works will make a significant contribution to the council's ambitions for the cultural regeneration of Northampton.

3.2.2 It will also have an important impact on business growth and job creation in the town.

3.2.3 If Cabinet chooses not to agree the recommendations of this report these benefits to Northampton may not be realised. The disused Vulcan Works site could remain undeveloped and be a blot on the Cultural Quarter streetscape for years to come.

3.2.4 However, in continuing to progress the redevelopment of the Vulcan Works, Cabinet must be aware of the many challenges that will need to be overcome to achieve success.

3.2.5 Major challenges to be overcome will include the need to:

- Achieve significant external funding and to develop a comprehensive funding package to cover the costs of redevelopment.
- Overcome a range of complex construction issues associated with the redevelopment of a disused factory site, demolition of derelict buildings and listed building status.
- Meet the requirement for the redeveloped site to be self-financing/sustaining into the future.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications directly arising from this report.

4.2 Resources and Risk

4.2.1 The total cost of redeveloping the Vulcan Works, including land, buildings and other assets contributed by the council, is estimated to be £10.2m. A comprehensive funding package is currently being built. It is anticipated that much of the funding for this project will come from external funding sources, potentially including Local Growth Fund, accessed via the local enterprise partnerships, and/or monies from European Funding pots such as ERDF and ESF.

4.2.2 £205,000 has already been secured from the Enterprise Zone budget to fund detailed design work and the development of a robust business case. This money is being allocated from the Enterprise Zone reserve, in accordance with the council's reserves drawdown process.

4.2.3 The property and land that constitutes 4 - 6 Angel Street has been valued at less than £100,000.

4.2.4 Both the Director and Cabinet Member for Regeneration, Enterprise and Planning will need to assure themselves that the acquisition of 4 - 6 Angel Street is necessary to the delivery of the Vulcan Works project, as per the agreed design option, and is supported by the business case that is being developed, before finalising its acquisition, at a price no more than the independently assessed market value.

4.2.5 The funding source for the acquisition is still to be determined. It is anticipated that it will be funded from an external funding source or from business rates uplift. Funding will need to be clarified before the acquisition is completed.

- 4.2.6 Once the funding source for the acquisition has been secured it is anticipated the purchase will be incorporate into the Capital Programme using the funded supplementary estimates delegations in the Council's Financial Regulations.

4.3 Legal

- 4.3.1 There are significant legal implications associated with the redevelopment of the Vulcan Works. Expert legal advice will be sought and acted upon at every stage of the process. Appropriate legal advice will be obtained in relation to the acquisition of 4 - 6 Angel Street
- 4.3.2 Section 122 of the Local Government Act 1972 empowers a local authority to appropriate land for any purpose for which the Council is authorised by that Act, including planning purposes, which will facilitate the carrying out of development, re-development or improvement which is likely to contribute to the economic social or environmental well being of the area. It is considered on legal advice that this requirement is fulfilled in view of initial the findings of the Business Case which is currently in development.

4.4 Equality

- 4.4.1 Redevelopment of the Vulcan Works will be undertaken in full accordance with relevant equalities legislation and the council's equalities policies.

4.5 Consultees (Internal and External)

- 4.5.1 Consultation is vital to evidencing need and establishing demand. It is also essential to the funding application process and will be used to inform outline and detailed design development.
- 4.5.2 It is proposed that a consultation exercise is undertaken with business proprietors operating within the vicinity of the Vulcan Works site and the occupiers of adjoining residential property, ahead of the planning application for Vulcan Works, which will be submitted in November 2014.

4.6 How the work relates to current Priority Outcomes

- 4.6.1 Northampton Alive sets out the council's aspirations for the regeneration of Northampton. The development of the Cultural Quarter is one of Northampton Alive's priority regeneration programmes. The redevelopment of the Vulcan Works is a key project in the Cultural Quarter. 4.6.2 Redevelopment of the Vulcan Works will also assist the key priority of economic regeneration of the town through business growth and job creation.

Background Papers

None

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