

Appendices

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**NORTHAMPTON**
BOROUGH COUNCIL**CABINET REPORT****Report Title****The Northampton Cultural Quarter****AGENDA STATUS PUBLIC**

Cabinet Meeting Date:	4 March 2015
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Customers and Communities
Accountable Cabinet Member:	Cllr Brandon Eldred
Ward(s)	Castle

1. Purpose

- 1.1 To advise of progress with the development of the Cultural Quarter since its designation in January 2013.
- 1.2 To seek necessary approvals/delegations to ensure progress with key projects within the Cultural Quarter can continue to be made.

2. Recommendations

That Cabinet:

- 2.1 Affirms its continuing support for the development of the Cultural Quarter and notes progress that has been made with key projects.
- 2.2 Welcomes the Local Growth Fund announcement from South-East Midlands Local Enterprise Partnership (SEMLEP) that Northampton Borough Council's Vulcan Works project will be awarded funding in 2016/17.

- 2.3 Subject to formal confirmation of the Local Growth Fund award from SEMLEP, as per paragraph 2.2 above, agrees that up to the full value of the said award may be borrowed via Northamptonshire Enterprise Partnership (NEP), from the Public Works Loan Board, to allow the Vulcan Works project to immediately progress to its construction phase and notes that the loan is to be repaid when SEMLEP's Local Growth Fund award becomes available in 2016/17.
- 2.4 Agrees that the council makes a cash contribution to the Vulcan Works project of £650,000 from resources available to the 2016/17 capital programme.
- 2.5 Delegates to the Director of Customers and Communities, in consultation with the Cabinet Member for Community Engagement, authority to award a contract for detail design work for the refurbishment and expansion of Northampton Museum and Art Gallery and to award other contracts as necessary for completion of the proposed works.
- 2.6 Affirms its support for the Museum of Leathercraft and makes a commitment to finding a suitable location for it within the Cultural Quarter.

3. Issues and Choices

3.1 Report Background

The Cultural Quarter

- 3.1.1 In January 2013, Cabinet agreed to designate Guildhall Road and Derngate as the town's Cultural Quarter.
- 3.1.2 The Cultural Quarter was established to provide one of a number of major driving forces for regeneration of Northampton and to provide an opportunity to celebrate both the town's rich history and to showcase its unique contemporary offer.
- 3.1.3 With the support of a wide range of key partners, a vision is being shaped for the Cultural Quarter that relates to both place and people - the physical infrastructure, such as buildings, public realm and open spaces and the visitors, workers, performers, residents, artists, investors and students who will interact within it.
- 3.1.4 The vision 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.
- 3.1.5 Raising the profile of Northampton as a great place to live, visit, work, study and invest, the Cultural Quarter is already starting to 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.

Vulcan Works

- 3.1.6 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.
- 3.1.7 It is a key site within the Northampton Waterside Enterprise Zone.
- 3.1.8 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.
- 3.1.9 Redevelopment of the Vulcan Works will directly assist about 100 businesses and, in its first 10 years, create and sustain over 400 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 council's options appraisal.
- 3.1.10 In June 2014, Cabinet delegated to the Director of Customers and Communities, in consultation with the Leader of the Council, authority to:
- Award tenders for consultancy, construction and other goods and services, required for the successful redevelopment of the Vulcan Works.
 - Do all that is reasonably necessary to progress the redevelopment of the Vulcan Works through to completion.
- 3.1.11 In October 2014, Cabinet agreed to the purchase of 4 – 6 Angel Street from Northamptonshire County Council, an acquisition key to the Vulcan Work's progression.
- 3.1.12 The construction phase of the Vulcan Works project is expected to take about eighteen months, commencing in spring this year and opening for business in autumn 2016.
- 3.1.13 Planning permission for development of the Vulcan Works was granted in January 2015.

The Northampton Museum and Art Gallery

- 3.1.14 Northampton Museum and Art Gallery (NMAG) is a highly respected regional museum, best known for its world class shoe collection. Located in Northampton's Cultural Quarter, at the top of Guildhall Road, it already plays a significant role in the cultural life of the town and county, but has the potential to play an even greater one.
- 3.1.15 Its proposed refurbishment and expansion is one of the most significant development opportunities identified for the cultural quarter.
- 3.1.16 The NMAG proposals will enable the museum to be:

- A leading regional museum focused on history, art and shoes
- At the heart of the Cultural Quarter, enriching the lives of Northampton's residents, attracting visitors from further afield and contributing to the town's economy
- Home to the National Shoe Collection
- Nationally respected as an innovative museum that other organisations and institutions wish to collaborate with
- Internationally respected for its shoe collection, resource centre and research facilities
- Economically sustainable, commercially minded with strong links with local industry and commerce
- Engaged in powerful partnerships with key partners such as the University of Northampton and the Royal and Derngate Theatres

3.1.17 In September 2014, Cabinet gave the go ahead to the refurbishment and expansion of NMAG. To make the expansion possible, the purchase of the Gaol Block of County Hall, from Northamptonshire County Council, was approved.

3.1.18 Outline plans have been developed and the NMAG project is now ready for a contract to be awarded for detail design work to be undertaken.

3.1.19 Other projects listed or on site within the Cultural Quarter include:

- Guildhall Road improvement scheme, providing smart new pavement, convenient parking areas and pleasant space for visitors to eat and drink in the open air.
- Acquisition and development of County Hall's Guildhall Road block.
- Boutique hotel development, bringing 11/13 Guildhall Road back into productive use and providing a more appropriate use for 15 Guildhall Road.
- Construction of a new budget hotel underway and due to complete in less than a year.

Museum of Leathercraft

3.1.20 Northampton is home to the Museum of Leathercraft (MoL) and the council has enjoyed a close and positive relationship with it for many years.

3.1.21 MoL has forged strong links with NMAG and Abington Park Museum, as well as other key partners such as the Leather Conservation Centre and the University of Northampton's School of Leather.

3.1.22 It is recognised that these collaborations have the potential to make a major contribution to the Cultural Quarter and it is therefore important that the council gives priority to assisting MoL to find a suitable home in the Cultural Quarter in three or four years' time, once other major projects are complete.

3.1.23 More developments are also in the pipeline for the Cultural Quarter and will be announced in the coming months.

3.2 Choices (Options)

- 3.2.1 The Redevelopment of the Vulcan Works will make a significant contribution to the council's ambitions for the cultural regeneration of Northampton. It will also have an important impact on business growth and job creation in the town.
- 3.2.2 If Cabinet chooses not to continue to support the Vulcan Works project 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 and opportunities for business growth and job creation in the Enterprise Zone may be lost.
- 3.2.3 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.
- 3.2.4 Major challenges to be overcome will include the need to:
- Tackle 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.
- 3.2.5 Cabinet could choose not to refurbish and extend NMAG, forgoing anticipated benefits but freeing up substantial capital for other projects. However, should Cabinet choose this option, Cabinet Members should be aware that there would be difficulties associated with utilising funding realised from the sale of Sekhemka on non-museum projects.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Central Area Action Plan provides the planning framework that the proposed Northampton Cultural Quarter flows from.
- 4.1.2 It is intended that the Northampton Cultural Quarter vision will appropriately inform the regeneration strategy for the town centre and wider Northampton and will be given due consideration by the council in respect of planning policy and planning decisions.

4.2 Resources and Risk

Vulcan Works

- 4.2.1 The total cost of redeveloping the Vulcan Works is estimated to be £10.8m (excluding VAT), including £3.3m in land, buildings and other assets already in the council's ownership.

- 4.2.2 The total £10.8m cost of the Vulcan Works redevelopment is proposed to be added to the Capital Programme with expenditure expected in 2015/16 and 2016/17.
- 4.2.3 The bulk of the funding – £6.3m – is expected to come from South East Midlands Local Enterprise Partnership's (SEMLEP's) Local Growth Fund allocation for 2016/17.
- 4.2.4 It will be necessary for the council to make a cash contribution of £650,000 which will be managed within the existing capital resources of the Council.
- 4.2.5 To enable the construction phase to begin immediately, it is proposed that up to £6.3m is borrowed via Northamptonshire Enterprise Partnership (NEP), from the Public Works Loan Board (PWLB) as NEP have access to preferential borrowing rates more advantageous than the council is able to access directly. The loan will be repaid when SEMLEP's Local Growth Fund allocation becomes available in 2016/17.
- 4.2.6 NEP has initially agreed to support a loan from PWLB to the council of £3m, in accordance with spending projections for the Vulcan Works project during 2015/16. If, as project detail is further developed, the spending profile changes, requiring increased spending in 2015/16, a further application will need to be made via NEP to the PWLB or an alternative short term borrowing option will need to be identified.
- 4.2.7 £486,000 in total has been approved by the Enterprise Zone (EZ) Board. £200,000 of this funding has already been drawn down from the EZ reserve, in accordance with the council's reserves draw down process, to fund business case development and detailed design work.

Northampton Museum and Art Gallery

- 4.2.8 The total cost of the proposed extension of NMAG has been assessed at circa £7m (excluding VAT). The scheme will be incorporated into the Council's Capital Programme when detailed costs are understood.
- 4.2.9 A further report to Cabinet in due course will seek to approve the scheme within the Capital Programme.
- 4.2.10 The council has a capital receipt of £7.7m and a revenue receipt of £0.54m from the sale of the statue of Sekhemka, which has been ring-fenced for improvements to the museum service.
- 4.2.11 It is anticipated that the proposed extension will increase the operating costs for NMAG by up to 50%. It is anticipated that these additional costs will be met from reallocations within the council's museum service budget, changes to the way museum volunteers are utilised, external funding, commercial receipts, trading activities, rental income and sponsorship.

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.
- 4.3.2 There are significant legal implications associated with the refurbishment and extension of NMAG. Expert legal advice will be sought and acted upon at every stage of the process.

4.4 Equality

- 4.4.1 There are no equalities implications directly arising from this report. Redevelopment of the Vulcan Works will be undertaken in full accordance with relevant equalities legislation and the council's equalities policies. The refurbishment and extension of NMAG 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 The Cultural Quarter Forum is a key stakeholder consultation vehicle for the wider Cultural Quarter and specific projects such as the redevelopment of the Vulcan Works and the refurbishment and extension of NMAG.
- 4.5.2 Consultation in respect of the redevelopment of the Vulcan Works has been vital to evidencing need and establishing demand.
- 4.5.3 It was also essential to the Local Growth Fund funding application process and was used to inform outline and detailed design development. In advance of the submission of funding applications, both SEMLEP and NEP were consulted through their respective boards, including the EZ board.
- 4.5.4 A consultation exercise was 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 was approved last month (January 2015).
- 4.5.5 A consultation exercise in respect of the refurbishment and extension of NMAG was undertaken with stakeholders in the museum service and the wider public to seek their views on how funds from the sale of Sekhemka should be utilised. The findings of this consultation were taken full account of in the development of the proposals for NMAG.

4.6 How the work relates to current Priority Outcomes

- 4.6.1 One of the council's priorities is 'Celebrating heritage and culture'. Delivering the proposed vision for the Northampton Cultural Quarter is making a major contribution to this priority.

- 4.6.2 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.
- 4.6.3 The redevelopment of the Vulcan Works and the refurbishment and extension of NMAG are key projects in the Cultural Quarter.
- 4.6.4 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

Cabinet Report, 16th January 2013 – The Northampton Cultural Quarter

Cabinet Report, 11th June 2014 – Creation of a Creative Industries Hub

Cabinet Report, 10th September 2014 – Extension of NMAG

Cabinet Report, 8th October 2014 – The Vulcan Works

Julie Seddon, Director of Customers and Communities