



**CABINET REPORT**

<b>Report Title</b>	<b>24 Guildhall Rd refurbishment and NN Contemporary Arts relocation</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	9th September 2020
<b>Key Decision:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	No
<b>Directorates:</b>	Economy & Assets
<b>Accountable Cabinet Member:</b>	Cllr Tim Hadland, Regeneration & Enterprise
<b>Ward(s)</b>	Castle

**1. Purpose**

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For Cabinet to approve works undertaken to 24 Guildhall Road including extensive asbestos removal/disposal repairs to the central heating and Part M (access and use) repairs. The report also seeks the agreement of Cabinet to refurbish the building which will allow its occupation by approving works to undertake roof covering, window and façade repairs and other associated work in line with the Getting Britain Building funding that is to be received from Government.

**2. Recommendations**

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It is recommended that:

- 2.1 Cabinet approves the completed construction works including extensive asbestos removal/disposal, repairs to the central heating and Part M (access and use) repairs required since the purchase of the building in accordance with Council procurement guidelines at a value of £1.17m
- 2.2 Cabinet approves the match funding of £385,000, with £320,000 to be taken from existing in year budgets and the remaining requested as new capital, for

further enhancement works to 24 Guildhall Road in conjunction with the grant funding for £1.15m that has been awarded via the Getting Building Fund (GBF) for this purpose.

- 2.3 Cabinet delegates authority to the Economic Growth and Regeneration Manager, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise to implement the tendered roof, window and façade repairs.
- 2.4 To approve a legal budget in connection with the refurbishment and use of 24 Guildhall Road for £10,000 for the provision of external professional legal advice as may be required in connection with this project.
- 2.5 Cabinet delegates authority to the Economic Growth and Regeneration Manager, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise to prepare for a formal lease and partnership agreement between the Council and NN Contemporary which will include the establishment of the governance and project arrangements on the refurbishment project and the working relationship beyond completion.
- 2.6 Cabinet agrees that project to refurbish 24 Guildhall Rd is for Regeneration purposes and the relocation of NN Contemporary Arts.

### **3. Issues and Choices**

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#### **3.1 Report Background**

##### **Northampton Town Centre and the Town Centre Masterplan**

- 3.1.1 Northampton Town Centre plays a vital role as a major centre serving the town and a wider catchment of over 1m people. The population is expected to grow further over the coming years, supported by the Town's alignment to the Ox-Cam Arc increasing the role of the town centre in providing facilities that encourage community cohesion.
- 3.1.2 Despite the increase in population Northampton Town Centre has seen a decrease in footfall of 14.4% year on year, with this currently greatly increased because of the social distancing that has been implemented as a result of the pandemic. Culture and Heritage assets in our town have a key role to play in encouraging people back into our town.
- 3.1.3 The Northampton Town Centre Masterplan (attached as Appendix A) was approved by Cabinet in October 2019, this document sets the principles and the approach that will be taken to deliver the transformational change that is required.
- 3.1.4 The Town Centre Masterplan identifies catalyst regeneration projects aligned to the Council's long-term strategic objectives for Northampton Town Centre. These were focussed on, consolidating the retail core, growing the density of the town centre and nurturing an ecosystem for all kinds of urban life to flourish and expand. These proposals are framed within five town centre areas:

- Market Square
- Greyfriars
- Abington Street - Eastgate Quarter
- The Cultural Quarter
- Marefair

### **NN Contemporary**

- 3.1.5 NN Contemporary Art (NN) is a not-for-profit contemporary art space in the centre of Northampton. Founded in 2003, NN presents a dynamic programme of contemporary art, community outreach and career development.
- 3.1.6 Nationally and internationally recognised for excellence, NN was awarded National Portfolio Organisation (NPO) status from the Arts Council England (ACE) in 2018. NN enriches the lives of people in Northamptonshire, brings new audiences to the area, and is a focal point and catalyst for creativity and collaboration.
- 3.1.7 It is an established focus for creatives, students and graduates establishing careers in the creative industries in the region and beyond, as well as cultural audiences. During 2018/19 around 15,000 visitors were welcomed to its exhibitions, events and CPD sessions, with 99% of visitors rating the experience of their visit “good or very good”, 98% rating the quality of the exhibition “good or very good”.
- 3.1.8 NN secured an agreement from the Council enabling them to secure a new home within the Town’s Cultural Quarter at 24 Guildhall Road in March 2019. To facilitate the move into offices on the ground floor of the building, essential works were completed in March 2020 including repairs to the central heating and Part M (access and use) repairs. This arrangement was made on a temporary basis until funding could be secured, and having been so secured, the approval of Cabinet is now sought so that a formal lease arrangement can be entered into with NN.

### **24 Guildhall Rd - building condition and works completed to date**

- 3.1.9 24 Guildhall Road was purchased by the Council from Northampton County Council as part of the building was required to enable the New Museum and Art Gallery (NMAG) project. Due to budgetary constraints on the project the refurbishment of 24 Guildhall Road for the purposes of the NMAG project was not possible.
- 3.1.10 The building consists of five floors including the lower ground floor (basement), upper ground floor, first floor, second floor and third floor (Appendix 1 - floor plans). The building has been left in the same condition and layout as when occupied by NCC with office partitions, dated welfare facilities, non-compliant access arrangements and carpet tiles throughout.
- 3.1.11 As part of the purchase a detailed asbestos report was prepared which revealed the presence of asbestos in significant quantities throughout the building. Remedial work to remove and dispose of the asbestos in accordance with

Building Regulations and Health and Safety guidelines was tendered and completed by Oracle in 2018. The building is now safe for occupation.

3.1.12 Further inspections by Chartered Surveyors completed in 2019 revealed that significant repairs were required to the flat roof coverings in order to prevent water ingress and ultimately destabilise the integrity of the flat roof joists. A schedule of works was prepared and tendered, the tender comparison and breakdown are included in Appendix 2. A 10% contingency has been allowed in the capital allocation should further defects be found upon removing the damaged roof coverings.

3.1.13 A Chartered Surveyor also completed an inspection and schedule of works for urgent repairs to windows and the façade. These works were tendered, the tender comparison and breakdown are included in Appendix 3. A 10% contingency has been allowed in the capital allocation should further defects be revealed at commencement of the contracted repairs.

3.1.14 Mechanical and electrical defects have been identified throughout the building that will require remediation/ replacement.

3.1.15 The existing lift at the current main entrance to the building is not compliant with Building Regulation and would require replacement or significant alternations. Each floor has a change in level that will require further access enhancements in order to comply with Building Regulations for public use.

### **Getting Building Fund 2020**

3.1.16 In June 2020, Local Enterprise Partnerships were invited to put forward projects for the Getting Building Fund. Specifically, Government were looking for shovel-ready capital projects which can be delivered within 18 months.

3.1.17 Nationally, the size of the Getting Building Fund pot totals £900 million.

3.1.18 The overarching objectives of the fund are to drive economic growth, create new jobs and support green recovery. This includes funding to enable:

- town and city centre modernisation through targeted infrastructure investments unleashing their longer-term economic potential
- investment in physical connectivity to improve the functioning of the local economy;
- investment in innovation ecosystem including through improvements to research and development facilities driving up business productivity;
- improvements to human capital; and
- improving digital connectivity, in order to support economic performance, particularly in more isolated areas.

3.1.19 SEMLEP has been successfully allocated £27.3 million Getting Building Fund. This funding must be spent by 31st March 2022.

3.1.20 As part of the bidding round for the GBF it was confirmed that the refurbishment of 24 Guildhall Road and relocation of NN Contemporary Art would be eligible for funding under the terms of the grant scheme.

3.1.21 After providing assurances on the outputs of the project, the benefits derived from these outputs and confirming these could be delivered by March 2022, the project was successful in obtaining funding through the GBF for £1.15m (Appendix 4 -confirmation of successful GBF bid). Final due diligence checks are due for submission to SEMLEP on the 1<sup>st</sup> September 2020.

### **Council Match funding**

3.1.22 The Council match funding will be obtained through capital receipts, borrowing or grants.

3.1.23 If approved, the match funding will be made available for the immediate commencement of essential repairs to the Guildhall roof, windows and façade as tendered allowing a 10% contingency. The £320k of the match funding has been identified from in year budgets, with the request for the additional £65k to meet the amount that has been submitted in order to receive the grant.

3.1.24 If approved, the match funding will be made available for the detailed design work to RIBA 3 and 4 including due diligence of the tendered repairs. This is to ensure these works are compatible with the refurbishment of the whole of the building and avoid duplication.

### **Outputs of the project funded through GBF and Council match funding**

3.1.25 The project will make the building fit for occupation and public use; carrying out essential roof maintenance, windows and façade repairs, mechanical and electrical works, internal and external access improvements and various Part M (access and use) modifications. All works will comply with Building Regulations, Planning approval will be obtained where necessary. NBC Planning are in broad support of the project.

3.1.26 Create inspiring exhibition spaces on the lower ground floor suited to presenting new media productions, sound installations and large-scale art works and a welcoming visitor entrance and lobby area on the ground floors

3.1.27 Refurbish the upper floors for use by cultural groups, organisations and individuals, this should ensure flexibility for a range of uses.

3.1.28 Work closely with the New Museum and Art Gallery and the Council on the future use of the rear Courtyard for programmed events.

3.1.29 The project will transform 24 Guildhall Road into an attractive and innovative contemporary public space, for industry and culture alike that will complement the other buildings and organisations in the Northampton Cultural Quarter.

3.1.30 The project must start this financial year (20/21) with the essential repairs, achieve practical completion by January 2022 and financial completion by March 2022.

### **Benefits of the project**

- 3.1.31 A place for ideas, culture and inspiration - Create inspiring exhibition spaces on the lower ground floor suited to presenting new media productions, sound installations and large-scale art works.
- 3.1.32 A place for young people and learning - A dynamic, innovative contemporary arts hub, including workshop and learning spaces, works with the University of Northampton to make the Town an exciting place for people to study, live and work, supporting and retaining creative and digital talent in the area.
- 3.1.33 3. A place for skills and employment - An extensive continuing professional development (CPD) programme and affordable workspaces to and support creative SMEs and contribute to the appeal of the town to businesses and professionals. The project creates direct and indirect job opportunities.
- 3.1.34 A place to visit and enjoy - Welcome 50,000 local and international visitors each year to NN and Northampton's Cultural Quarter, contributing to the economy, reputation and vitality of the town centre. The project innovatively injects life back into an empty deteriorating council building. Adjacent to the Royal & Derngate theatre, the Vulcan Works business incubator and the Northampton Museum, NN collaborates to attract new audiences to this increasingly vibrant area.
- 3.1.35 A place of community and inclusion - A fully accessible public space engages all sectors of the community, creating pride in local heritage and social inclusion. A special focus on engaging BAME, disabled visitors, and those from lower socio-economic backgrounds supports the inclusion and wellbeing of those least likely to engage in cultural activities.

### **Partnership between the Council and NN Contemporary**

- 3.1.36 NN Contemporary currently occupy the Upper Ground Floor of 24 Guildhall Road on a Tenancy At Will. The Council is the freehold owner of the building.
- 3.1.37 The bid for access to the GBF via SEMLEP was made as a partnership between the Council and NN Contemporary.
- 3.1.38 A Partnership Agreement and a lease must now be prepared, finalised and agreed to establish NN's and the Council's obligations and responsibilities during the project to refurbish 24 Guildhall Road and formalise the future relationship beyond completion of the refurbishment project.
- 3.1.39 External legal services will be instructed, in consultation with, and to the satisfaction of the Borough Secretary, to provide to the Council with legal advice on State Aid in connection with this project in addition to all of the necessary documentation for the establishment Partnership Agreement with NN and a Lease of 24 Guildhall Road to NN on completion of the refurbishment works. I.
- 3.1.40 The Partnership Agreement will establish the terms of governance, the roles and responsibilities of both parties, penalties for non-compliance, timeframes for the partnership, timeframes for key decisions, general working arrangements

and sharing/recording of information related to the Partnership and operation of 24 Guild Road.

3.1.41 The partnership agreement must demonstrate an absolute commitment to achieve the GBF criteria and complete all outputs by March 2022.

### **3.2 Issues**

3.2.1 If the grant provided by SEMLEP and the Council is not sufficient to complete all project outputs, then value engineering will need to take place potentially impacting on the agreed outputs with SEMLEP

3.2.2 The successful project is dependent on the successful partnership between the Council and NN Contemporary.

3.2.3 Key risks and mitigation measures –

- The GBF grant is not sufficient to complete the refurbishment project – further detailed design work will be undertaken with the budget as a key factor. The designs can be value engineered if required.
- The project does not achieve practical completion by January 2022 and Financial Completion by March 2022 – ensure the programme to design, tender and implement works is clearly established from the onset of the project with clearly defined milestones. There must be an absolute commitment from the Partners to complete the project on time.
- The project outputs are not of the desired quality for occupation of the building by cultural groups, organisations and individuals – the project must be managed by a qualified and skilled project manager reporting to the project board on quality management on a regular basis.

### **3.3 Choices (Options)**

3.3.1 Cabinet can choose not to agree to the recommendations of this report and not proceed with the essential repairs and refurbishment of 24 Guildhall Road. This will mean the GBF grant must be returned, the building will continue to deteriorate and NN Contemporary may have to find suitable alternative accommodation.

3.3.2 Cabinet can choose to accept the recommendations as presented. This option is recommended in order to refurbish 24 Guildhall Rd, carryout essential repairs, provide a new home for NN Contemporary, establish the partnership between NBC and NNC and ensure the successful allocation of the GBF grant.

## **4. Implications (including financial implications)**

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### **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 A sum of £292,605 will be allocated from the NBC match funding for essential repairs to 24 Guildhall Rd.
- 4.2.2 The total NBC match funding is £385,000, with £320,000 to be taken from in year budgets and a further £65,000 will be required through the approved capital programme.
- 4.2.3 The GBF grant of £1.15m must be spent in full by March 2022 (Financial Completion of the project).
- 4.2.4 There are a number of financial risks associated with the project as outlined in section 3.2 above. In particular, the age and condition of the building could give rise to 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 and we know that a robust and successful partnership with NN Contemporary will be key to delivering the project on time and within budget. The Council already has an established relationship with NN Contemporary so should be in a good position to ensure appropriate mitigations are in place to minimise this risk.

## **4.3 Legal**

- 4.3.1 The Council can exercise pursuant to section 1 of the Localism Act 2011 a general power of competence, which provides the Council with the same power to act in the same way an individual would, subject to the restraints of public law.
- 4.3.2 It is noted pursuant to paragraph 31.19 above that SEMLEP were successful in securing 27.3M from the GBF fund, and that the Council has successfully applied for grant funding from the GBF fund via SEMLEP in the sum of 1.15M, subject to final diligence by SEMLEP, which at the time of writing is still to be concluded and the result confirmed for the benefit of Cabinet.
- 4.3.3 In addition it is noted that save for reference to the requirement for the Council to match fund, and to have spent the grant sum by March 2022, little else is known from the Cabinet report about any other obligations or penalties the Council may be subject to (if any) under the provisions of the grant agreement with SEMLEP. It is therefore not possible to consider what risk (if any), those provisions may represent for the Council or what impact this may have on the effectiveness of the project. It is therefore recommended that Cabinet be fully appraised of the Council's obligations and that of NN in that respect under the grant agreement with SEMLEP.
- 4.3.4 It is noted at paragraph 3.1.39 that it is proposed that external legal advice is to be sought by the Council with regard to State Aid and to advise on and complete the legal documentation necessary to record the Partnership

Agreement and to affect a lease of 24 Guildhall Road between the Council and NN, subject to and in consultation with and to the satisfaction of the Borough Secretary.

- 4.3.5 Subject to the State Aid advice to be received the Council will have to act in compliance with the European Commission's State Aid Rules where these apply to the matter.

#### **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 these vacant sites coming back into use.

#### **4.5 Consultees (Internal and External)**

- 4.5.1 Public consultation took place in late spring/early summer 2019 to gather the opinions of the public with regards to the proposed interventions. A total of 742 people gave detailed responses to the questionnaire.
- 4.5.2 The Northampton Forward Board are in broad support of the project to refurbish 24 Guildhall Rd as it is line with the Town Centre Masterplan objectives.
- 4.5.3 NBC Planning is in broad support of the project subject to a formal planning application.

#### **4.6 How the Proposals deliver Priority Outcomes**

- 4.6.1 This report will contribute to the priority corporate outcomes of
- Creating a thriving, vibrant town by removing long term vacant unit's from within the town center and enabling a cultural led use.

### **5. Background Papers**

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- 5.1 The Northampton Town Centre Masterplan (attached as Appendix A) was approved by Cabinet in October 2019

**Contact:** Kevin Langley, Economic Growth and Regeneration Manager