



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	24 Guildhall Road – Contractor procurement and NN Contemporary Arts relocation
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	17th February 2021
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorates:	Economy & Assets
Accountable Cabinet Member:	Cllr Tim Hadland, Regeneration & Enterprise
Ward(s)	Castle

1. Purpose

1.1 For cabinet to delegate authority to appoint a contractor following a compliant procurement process for the works specified in the report including the refurbishment of the lower ground, upper ground and 1st floor of 24 Guildhall Road and essential repairs to the roof, façade and windows. The report also provides an update on the progress of the lease negotiations between NBC and Northampton Arts Collective Limited.

2. Recommendations

It is recommended that:

2.1 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 refurbishment of the lower ground, upper ground and first floor together with essential repairs to the roof, façade and windows following completion of the tender process.

3. Issues and Choices

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 greater due to the lockdowns that have been implemented as a result of the pandemic. Culture and Heritage assets in our town will have a key role to play in encouraging people back into our town centre.
- 3.1.3 The Northampton Town Centre Masterplan was approved by Cabinet in October 2019, sets the principles and the approach that will be taken to deliver the transformational change that is required to once again make the town an attractive destination.
- 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 Art

- 3.1.5 Northampton Arts Collective Limited trading as NN Contemporary Art (NN) is a company limited by guarantee and a registered charity providing a not-for-profit contemporary art space in the centre of Northampton. Opened in 2003 and registered as a company in 2009, 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 NBC 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.

24 Guildhall Rd - building condition and works completed to date

3.1.9 24 Guildhall Rd was purchased by NBC from Northamptonshire County Council (NCC) as part of the building was required to enable the New Museum and Art Gallery (NMAG) project. Due to budgetary constraints on the NMAG project the refurbishment of 24 Guildhall Road for the purposes of the NMAG project was not possible.

3.1.10 24 Guildhall Road consists of five floors including the lower ground floor (basement), upper ground floor, first floor, second floor and third floor (**Appendix 1 – existing 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 contingency has been allowed in the capital allocation should further defects be found upon removing the damaged roof coverings. These works will be included within the final tender pack with the principal contractor then to be responsible for its implementation.

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 contingency has been allowed in the capital allocation should further defects be revealed at commencement of the contracted repairs. These works will be included within the final tender pack and the procured principal contractor will be responsible for management and implementation.

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 Regulations and requires 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.

3.1.16 The current entrance and lobby area off Guildhall Rd needs to be upgraded to higher specification with automated doors to provide a suitable access controlled main entrance to the whole building and comply with building regulations.

3.1.17 The interfaces with the NMAG and 24 Guildhall Road need alterations to provide the further functionality suitable for both buildings and meet requirements for building regulations/fire protection.

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 was allocated £27.3 million from the Getting Building Fund (GBF). 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 the relocation of NN 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 subject to due diligence checks.

3.1.22 In order to meet the due diligence requirements and establish a clear scope of works, master programme and cost plan for the refurbishment project, NBC employed a Design Team consisting of: CS2 Chartered Surveyors as Project Manager/cost consultant/contract administrator, Peter Haddon Partners (PHP) as the Principal Designer/architect and The Engineering Practice (TEP) as the Mechanical and Electrical consultant.

3.1.23 As part of the due diligence process the scope of works, master programme and cost plan were submitted to SEMLEP with further clarifications on outputs and this was approved by the GBF Board on the 25th November 2020 subject to achieving all design milestones to RIBA 4, clarifying the State Aid position and procuring a contractor by the end of Quarter4 2020/21. A funding agreement will be issued in April/May 2021 for the implementation of the refurbishment works.

3.1.24 A Project Board has been established including representatives from NN, NBC and SEMLEP to oversee the milestones in Quarter 4 leading to the final funding agreement and to oversee the project to completion.

3.1.25 The Design Team continues to work on the detailed designs and are on course to achieve all the milestones leading to a funding agreement in April/May 2021.

NBC Match funding

3.1.26 The NBC match funding of £385,000 obtained through capital receipts, borrowing and/or grants was approved by cabinet at its meeting on the 9th September 2020.

3.1.27 The match funding has been made available for the detailed design work to RIBA 3 and 4 in order to achieve the milestones in Quarter4 2020/21 required by GBF.

Outputs of the project funded through GBF and NBC match funding

3.1.28 The project will make the lower ground, upper ground and first floor 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.

3.1.29 The project will 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

3.1.30 Refurbish the upper ground floor and first floor for use by cultural groups, organisations and individuals.

3.1.31 Work closely with the NBC on the future use of the rear Courtyard for programmed events.

3.1.32 The project will transform 24 Guildhall Rd 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.

3.1.33 The project will compliment the Vulcan Works Creative Hub targeting a different market in terms of businesses and organisations to take up space. The businesses targeted through the 24 Guildhall Road project will be cultural

businesses that require a different type of space to the Vulcan Works with the space at 24 Guildhall Road being less sophisticated in nature.

3.1.34 The refurbishment works and essential repairs will start in April 2021, will achieve practical completion by October 2021 and financial completion by December 2021 (**Master Programme – Appendix 2**).

Procurement of a principal contractor

3.1.35 RIBA design stage 3 and 4 are currently underway and is achieving the milestones required by the GBF.

3.1.36 The detailed design proposals to RIBA 4 and schedule of works will be finalised for Project Board approval in February 2021. It is expected that a tender pack including the design work will be tendered in March 2021 with contractor appointment scheduled to take place on April 2021 (subject to approval).

3.1.37 It is proposed that the OJEU compliant PAGABO medium works framework will be used to procure the works through a mini competition. Given the challenging timeframes to commencement of the works in April 2021, this Framework ensures value for money but also reduces lead times and enables early engagement with contractors.

3.1.38 The contract terms offered by the PAGABO medium works framework are flexible and Terms and Conditions will be developed in consultation with NBC Legal Services.

3.1.39 To ensure that the Council are achieving Value for Money the Council will be undertaking a mini competition between the potential contractors on the framework. The contractors will be evaluated against Cost and Quality criteria, with Cost making up 60% of the marks and Quality making up 40%.

Partnership and lease agreement between NBC and NN Contemporary

3.1.40 NN currently occupy the Upper Ground Floor of 24 Guildhall Road on a Tenancy At Will. NBC is the freehold owner of the building.

3.1.41 The bid to the GBF was made as a partnership between NBC and NN.

3.1.42 A Partnership Agreement is now being finalised based on agreed Heads of Terms to establish NN's and NBC's duties and responsibilities during the project to refurbish 24 Guildhall Road and to formalise the future relationship beyond completion of the refurbishment project.

3.1.43 The Heads of Terms for a 25-year lease of the lower ground, upper ground and 1st floor of 24 Guildhall Road have been drafted and await minor amendments before the long term lease is finalised. This will then need to go to West Northants Executive for a decision in due course.

3.1.44 The partnership agreement and lease is being prepared with external legal advisers in consultation with the NBC Legal and Estates sections.

3.2 Issues

- 3.2.1 If the GBF and NBC funding 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 NBC and NN.
- 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 offer will not be achieved, the building will continue to deteriorate and NN 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, establish the partnership between NBC and NNC and ensure the successful allocation of the GBF grant.

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 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. This was agreed previously by Cabinet on 9th September 2020.

- 4.2.2 The GBF grant of £1.15m must be spent in full by March 2022 (Financial Completion of the project).
- 4.2.3 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.
- 4.2.4 Time constraints around the grant funding are also a risk and we know that a robust and successful partnership with NN will be key to delivering the project on time and within budget. NBC already has an established relationship with NN so should be in a good position to ensure appropriate mitigations are in place to minimise this risk.

4.3 Legal

- 4.3.1 It is important that NBC strictly complies with the requirements and obligations of the grant funder's conditions and that NBC can evidence such compliance in order to avoid challenge on the grounds of procedural impropriety and where there are consequential financial risks for NBC.
- 4.3.2 The works will need to be tendered in accordance with NBC's Contract Procedure Rules and the conditions of the PAGABO Medium Works Framework. External advice should be sought to ensure the Contract addresses all the risks and liabilities NBC could be exposed to and safeguard their interests in a contract of this nature, accordingly collateral warranties must be sought as appropriate.
- 4.3.3 External legal services will be used to prepare and finalise the Partnership agreement with NN and the Lease(s) arising from the project

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. A further consultation took place for the Town Investment Plan on October 2020 which identified 24 Guildhall Road as a priority site for the regeneration of the Town Centre.
- 4.5.2 The Northampton Forward Board support this project to refurbish 24 Guildhall Road as it is in line with the Town Centre Masterplan objectives.

- 4.5.3 NBC Planning is in broad support of the project, a formal application has been submitted for a change of use.
- 4.5.4 West Northamptonshire Council senior officers have been consulted on this work and are in broad support of the proposals.

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

- 5.1 Northampton Forward Board papers and Terms of Reference can be viewed here:
<https://www.northampton.gov.uk/info/592/regeneration/2543/northampton-forward-board>

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