



## CABINET REPORT

<b>Report Title</b>	<b>Four Waterside Masterplan</b>
---------------------	----------------------------------

**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	5 <sup>th</sup> February 2020
<b>Key Decision:</b>	NO
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	YES
<b>Service Area:</b>	Economy, Assets and Culture
<b>Accountable Cabinet Member:</b>	Cllr Tim Hadland
<b>Ward(s)</b>	Castle Ward

### 1. Purpose

---

- 1.1. To update Cabinet on progress made on the Four Waterside Site since the Development Agreement with Kier was terminated in April 2019.
- 1.2. To approve the Four Waterside Masterplan (2020), proposal (the feasibility study)

### 2. Recommendations

---

It is recommended that:

- 2.1 Cabinet approves the first stage of the Four Waterside Masterplan proposal (the feasibility study) which sets the principles and the approach that will be taken to deliver a mixed-use development site on a key site located on the edge of Northampton Town Centre.
- 2.2 Cabinet notes the need for a development appraisal, which when complete will be referred back to Cabinet for consideration along with delivery advice setting out the most appropriate procurement strategy to secure a development partner or partners for the site.

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

#### **3.1 Report Background**

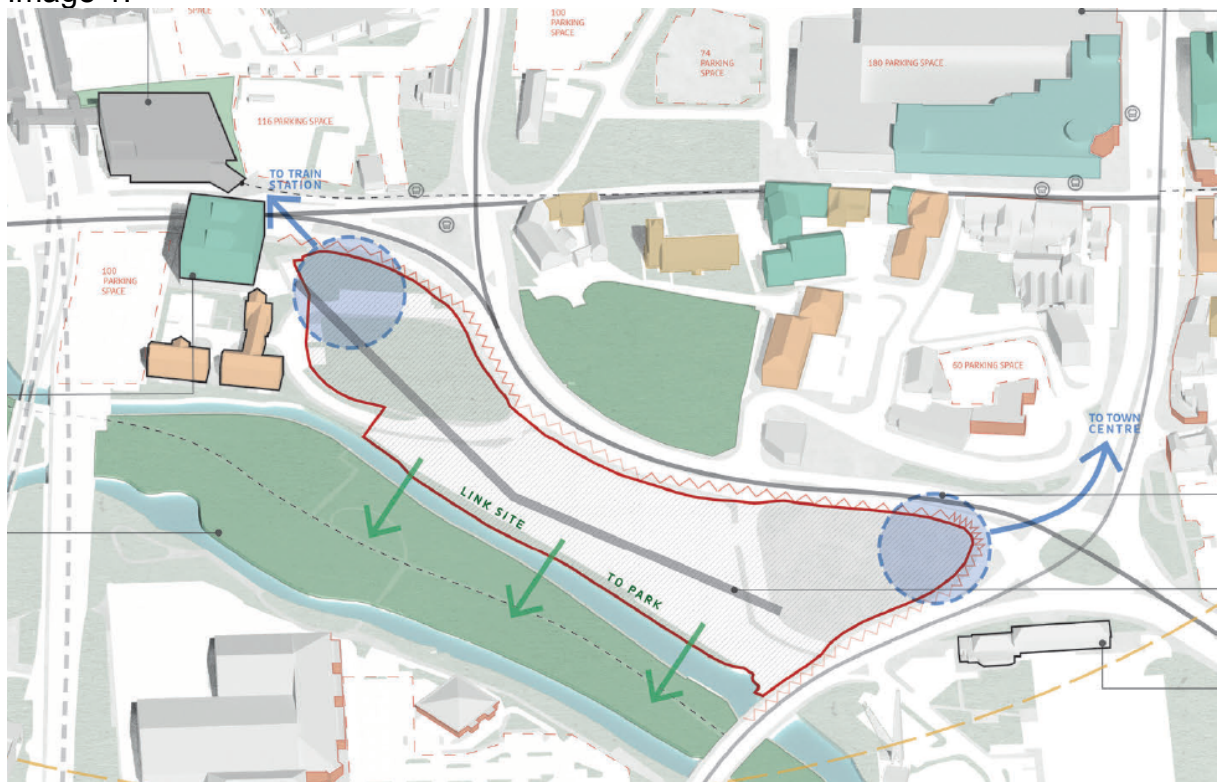
- 3.1.1 Four Waterside Site is an approximately 20,000 sqm development site located on the edge of Northampton Town Centre, adjacent to the River Nene and St Peter's Way. The site is located less than 3 minutes' walk away from the Northampton Train Station and 5 minutes' walk to the town centre. The site location is shown on pages 4 and 5 of the first stage of the feasibility study Appendix 1.
- 3.1.2 The Four Waterside Site forms part of the Northampton Waterside Enterprise Zone (NWEZ), which was awarded Enterprise Zone status by the Government in October 2011. The NWEZ is the largest Enterprise Zone in England comprising 120 hectares of land across over 25 sites.
- 3.1.3 Four Waterside Site was one of the projects included in the original NWES prospectus and is still considered a strategically important development site for Northampton, being one of seven projects identified within the latest Enterprise Zone delivery plan.
- 3.1.4 West Northamptonshire Development Corporation (WNDC) entered into a contract with Kier to develop the site in 2014. This agreement was novated to the Council following the demise of WNDC. The rights and obligations of WNDC under this agreement were transferred to the Council following the operational closure of WNDC.
- 3.1.5 The Council held discussions with Keir over the development of the Four Waterside Site in the subsequent years, with the parties not able to agree on a plan for how to bring development on the site forward.
- 3.1.6 In the years since the Development Agreement was entered into the market for commercial developments changed and demand for office developments significantly reduced.
- 3.1.7 Keir presented a variation to the original agreed scheme that was due to deliver a range of landmark offices, this amended scheme significantly reduced the quality of the development by reducing the level of office accommodation and introducing retail.
- 3.1.8 The Council terminated the Development Agreement with Kier in April 2019.
- 3.1.9 With the Four Waterside Site having been cleared and having had a level of remediation carried out across the Four Waterside Site it is ready for development. The whole site is in the ownership of the Council.
- 3.1.10 The Council appointed Faulkner Brown Architects in June 2019 to undertake a new masterplan for the site. Avison Young were appointed at the same time to provide commercial support including undertaking soft market testing and to engage environmental consultants to ensure that the proposed development would be attractive to the market and was deliverable.

3.1.11 There has and continues to be high level commercial interest in Four Waterside Site. The Council is aware of an office operator that is willing to invest, once an office development is brought forward. Equally a number of hotel operators have shown interest in the Four Waterside Site but have failed to invest due to the marginal nature of the finances.

### Development of the Masterplan

3.1.12 The Masterplan proposal considers a wide variety of factors in determining the optimal layout and mix of uses that have been included in the feasibility study. Factors including the site constraints, opportunities, characteristics, environmental considerations and its history has influenced its development.

Image 1.



3.1.13 Faulkner Browne consider that the two corner plots to the east and west have the potential to become 'commercial anchors'. The first engages with the train station to the north west corner of the Four Waterside Site and the second links to a primary road junction to the north east corner of the Four Waterside Site.

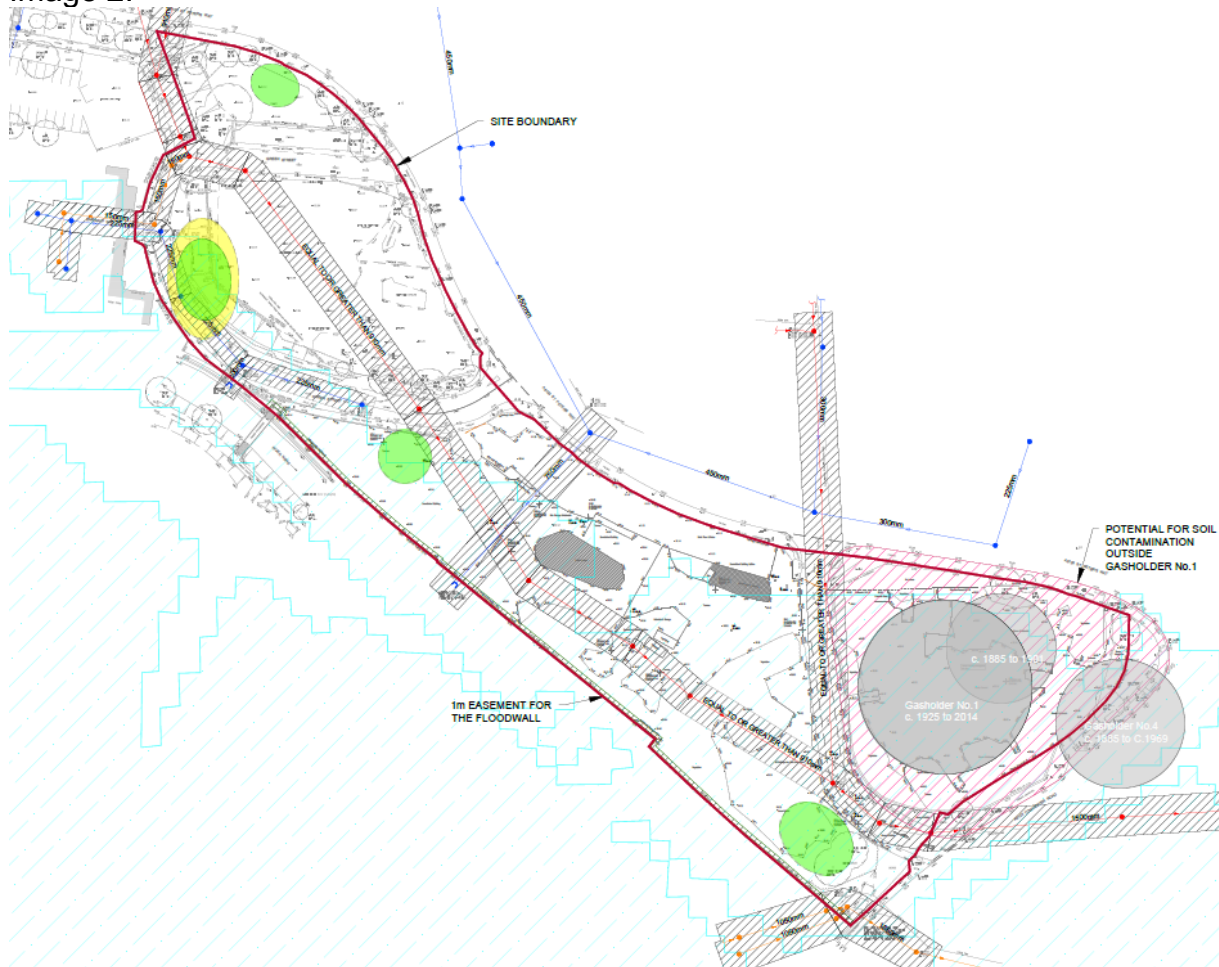
3.1.14 The south west boundary frames the river and overlooks a large urban park which forms a green island in between the north and south banks of the river, there is an opportunity for the proposed scheme to link to the Foot Meadow both visually and physically to promote links to nature in an urban setting and encourage wellbeing for all users

3.1.17 Whilst the Four Waterside Site offers many opportunities there are some constraints which have been considered. St Peter's Way sits to the northern boundary, it is a main road into and out of the town and experiences heavy

traffic flow. This creates noise pollution which will need to be managed effectively.

3.1.16 A sewer runs underneath the Four Waterside Site this represents a significant constraint as it cannot be built upon and is protected by a wide easement. This creates a no build area which segregates the site across the north east and south west axis, as shown in image 2.

Image 2.



3.1.17 The Four Waterside Site is identified on the Environment Agency's (EA) records as a Flood Zone 3 area which benefits from flood defences. There is a current flood defence in place which runs along the riverside.

3.1.18 This flood defences had an 8m easement for maintenance which after consultation with the EA they have reduced to 1m.

3.1.19 In terms of design of the buildings the EA stated that preferably, undercroft car parking beneath the residential development, would help address the level of flood risk, particularly for any residential development within the south eastern corner where flood depths are greatest. This has been incorporated into the Masterplan proposal.

3.1.20 There are historical maps which demonstrate that the site has always been mixed use and has a strong industrial heritage. With previous uses across the site including gasometers, residential, retail and a tannery.

3.1.21 The Four Waterside Site has been split into four plots as laid out in the Masterplan proposal:

Plot 01: c.4650sqm of Office Space

Plot 02: c.3000sqm of Office Space/Hotel

Plot 03: c.5350sqm of Office Space/Hotel

Plot 04: c.4300sqm of Residential

3.1.22 Plot 01: Commercial Office Development – 10,074sqm over 6 floors

- This will be a landmark building on the corner of St Peter's Way and this prominent location will provide fantastic visibility for any occupier who takes space within this unit.
- The site has 76 allocated car parking spaces available
- To celebrate the historical narrative of shoe making in Northampton, the architecture of this development could result in a unique façade design which is representative of the weaving process from the 'aglet' at roof level to the 'spindle' at ground level.

3.1.23 Plot 02: Commercial Office Development – 5,085sqm over 3 floors

- This plot provides office accommodation split across three floors. Each floor can be split centrally to provide two smaller offices with a shared core serving both.
- There are approximately 142 car parking spaces, 70 across two levels within the footprint of the building and 72 are incorporated into the hard landscaping surrounding the building.
- To celebrate the history of Northampton beginning as an Anglo-Saxon village, the architectural language of the office makes reference to this history and the materiality of the palisade which once surrounded the town.

3.1.24 Plot 03: Hotel Development – 10,074sqm over 4 floors

- This plot provides opportunity for a hotel of over 4 floors including standard rooms, town house rooms, family rooms and accessible rooms.
- The rooms are located towards the outside edge of the building allowing natural light to penetrate all the rooms.

3.1.25 Plot 04: Residential

- The residential component of this masterplan provides an opportunity to re-establish the relationship the site has with the riverside and connect to the existing Foot Meadow to the south.
- The residential blocks will provide a range of one and two bed apartments, taking advantage of the riverside setting.

3.1.25 Public Realm

- The mixed-use development plots are connected through a dynamic and engaging public realm strategy which provides shared surfaces in-between the buildings to allow pedestrians to connect to the building frontages and infiltrate down through the site towards the riverside.
- 3.1.26 Avison Young undertook a first stage of delivery advice for the site during the development of the masterplan. This included assessing the local commercial, hotel and residential markets to inform the quantum's of development being proposed.
- 3.1.27 Prior to the Masterplan proposal being commissioned during late 2018 and 2019, Avison Young's hotel team undertook an extensive commission to determine the demand and viability of a hotel in this location. The report concluded there may be demand for a hotel in this location subject to it being part of a larger mixed-use scheme and overcoming viability challenges.
- 3.1.28 Alongside the commercial overview, soft market testing was also undertaken with potential developers to frame the way that the Council approaches the market the site is ready to be marketed.
- 3.1.29 Avison Young concurred with the uses in terms of them being both appropriate and deliverable (subject to the development appraisal being carried out and potential level of public sector intervention assessed) although they have highlighted the scale of the office proposed as a potential challenge.
- 3.1.30 Soft market testing concluded that there is interest from a number of parties who would be willing to deliver all uses in the Masterplan proposal rather than individual developments. A single developer approach may also benefit this site as public funding is likely to be required and this will allow one funding package to be negotiated.
- 3.1.31 The soft market testing also highlighted that a number of parties are aware of the Four Waterside Site history and lack of delivery to date hence when the Four Waterside Site is brought to market the Council need to ensure a fresh approach to delivery to ensure market confidence.
- 3.1.32 Initial Viability work was also undertaken on the potential uses. Avison Young noted that Office development would likely be a significant challenge and require a significant level of public funding. As noted in paragraph 3.1.27 above a hotel would also require funding in order to be a viable proportion. Residential should cover its costs on the development and potentially add a small positive residual.
- 3.1.33 A full development appraisal is currently underway to inform the level of intervention required so that a plan for how to address this can be made.
- 3.1.34 A stage two delivery advice note will be subsequently completed once the development appraisal has been finalised, which is to consider the most appropriate procurement strategy to secure a development partner or partners for the site.

## **3.2 Issues**

- 3.2.1 As noted under in paras 3.1.17 – 3.1.19 Flood Risk across the site has had to be carefully considered as part of the masterplan. This will need to be developed further as part of a future scheme submitted by a developer.
- 3.2.2 Potential further remediation has been identified through the environmental reports for the site. This will be considered once the viability has been assessed as to whether it is best to address this prior to taking the site to market or leaving this to a potential developer to resolve.
- 3.2.3 As noted in point 3.1.33 the Council are awaiting on a full development appraisal for the site. Until this has been completed the full extent of public sector intervention required across the site will not be clear.

## **3.3 Choices (Options)**

- 3.3.1 To proceed with approving the feasibility study as described in this report.
- 3.3.2 To not proceed with approving the feasibility study. This will result in further design development work needing to be undertaken, costing additional money and delaying the development of Four Waterside. This option is not recommended.

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

---

### **4.1 Policy**

- 4.1.1 This masterplan will act as the preferred Council vision for the site.

### **4.2 Resources and Risk**

- 4.2.1 The development of the masterplan has been funded through the Enterprise Zone.

### **4.3 Legal**

- 4.3.1 It is noted herein that further information is to be considered by Cabinet in addition to the information attached to the appendices. Cabinet must therefore as part of any decision that it makes in respect of the Masterplan Development proposal consider all of relevant information before a final determination is reached.
- 4.3.2 The Council must ensure that Cabinet is provided with the fullest opportunity to consider all material considerations that would form part of approving a Masterplan Development proposal such as the one detailed in this report.
- 4.3.2 By taking such appropriate steps the Council minimises the risk of a challenge by way of Judicial Review as the Council will be able to demonstrate that it has exercised its duty to act fairly in its decision-making process by ensuring that at each phase of the Masterplan Development proposal has been properly considered by Cabinet.

## **4.4 Equality and Health**

4.4.1 The regeneration set out in this masterplan will have positive benefits to residents and the wider community. As projects are developed based on the Masterplans EIA's will be carried out.

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

4.5.1 Northampton Forward has been consulted on the Masterplan, with the Board in support of the aspirations it sets out.

4.5.2 Public consultation on a scheme will take place should a developer be sought, and planning application submitted.

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

4.6.1 This project delivers under the corporate objective of 'Shaping place and driving growth', 'Creating a thriving, vibrant town' and 'more homes, better homes' by enabling the development of high-quality office, commercial and residential space which catalyses further regeneration.

## **4.7 Environmental Implications (including climate change issues)**

4.7.1 This project does not impact the climate change agenda.

## **4.8 Other Implications**

4.8.1 N/A

## **5. Background Papers**

---

5.1 N/A

## **6. Appendices**

---

6.1 Four Waterside Masterplan (2020)

## **7. Next Steps**

---

7.1 Following the masterplan being approved, a full development appraisal for the site will be completed to understand the level of public sector intervention required.

7.2 A strategy for how to fund this gap will be developed and a delivery route for how to take the site to development stage will be made. A Cabinet Report on both the appraisal and delivery advice setting out the most appropriate procurement strategy to secure a development partner or partners for the site will be brought back to Cabinet later in 2020.

**Contact: Kevin Langley, Economy, Assets and Culture**