

Item

## CAMBRIDGE JUNCTION CAPITAL PROJECT



**To:**

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and Transformation

**Committee:**

22 January 2018, Strategy and Resources Scrutiny Committee

**Report by:**

Jane Wilson

Tel: 01223 - 457860 Email: jane.wilson@cambridge.gov.uk

**Wards affected:**

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

**NOT FOR PUBLICATION:** The appendix relates to an item during which the public is likely to be excluded from the meeting by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

### Non Key Decision

#### 1. Executive Summary

- 1.1 This decision is needed to allow the Cambridge Junction capital project to move to the next stage.
- 1.2 A Joint Project Board was formed between the Council and Cambridge Junction which facilitated agreement of project drivers and outcomes, and considered a high level feasibility and detailed options assessment carried out by external consultants.
- 1.3 As the Council is owner of the freehold of the site, officers have also considered the wider property issues and opportunities provided by any redevelopment scheme.

- 1.4 An arts and cultural infrastructure audit was commissioned in order to provide an evidence base of existing and future needs for professional cultural infrastructure, and to provide underpinning evidence for an options assessment.
- 1.5 An options assessment was carried out looking specifically at Cambridge Junction, which assessed a range of options from 'do nothing' through to 'complete redevelopment of the site'.

## **2. Recommendations**

The Executive Councillor is recommended to:

- 2.1 Note the findings from the Arts and Cultural Infrastructure Audit.
- 2.2 Note the findings of the options assessment work.
- 2.3 Approve progression to a detailed study on Option 3 – a partial redevelopment - as the preferred recommendation for redevelopment of Cambridge Junction.
- 2.4 The detailed study on option 3 will be considered within a framework of an outline site wide masterplan options assessment to ensure that:
  - a) The full impacts of the phase 1 study on the wider freehold site are taken into account.
  - b) Outline alternative options are considered at this stage should option 3 be undeliverable.
  - c) The Council is able to ensure best value optimization of its assets on the site.
  - d) The work will support a potential first stage capital bid to Arts Council England and include completion of more detailed work up to RIBA stage 1.

## **3. Background**

- 3.1 Cambridge Junction is a major arts and cultural venue located on the old Cattle market site in Cambridge. The original building, built by the Council and opened in 1990, consisted of an 850 capacity (standing) venue, used predominantly for music, comedy and clubs (known as J1). In 2005 the building was extended to include: one 220 capacity (seated) venue used for contemporary theatre (J2); one rehearsal/community space (J3); and office space. There are two separate entrances, one for

J1 and one for J2/J3, and there is no public internal connection between J1 and J2/J3.

- 3.2 The freehold of the building and the site are both owned by Cambridge City Council, with the venue operated by Junction CDC, a charity which has a lease until 2030, under a peppercorn rent arrangement (agreed as match funding for an earlier capital development).
- 3.3 A joint project board was formed in January 2017 to examine the need and options for a major capital development.
- 3.4 The project board agreed the following initial drivers for a capital development:
- Significant life-cycle issues with the current building.
  - Significant growth in the city, and around the Junction site
  - Changing nature of the arts and wide potential for remodelling of the venue to meet current and future needs and aspirations.
  - Further potential for the site to deliver more transformational development, including innovation, commercial and residential.
- 3.5 The feasibility and options assessment was split into two parts: an audit of arts and cultural infrastructure to assess overall need through to 2031, followed by a focused options assessment for development of the Cambridge Junction.
- 3.6 The audit of arts and cultural infrastructure demonstrated that there is a need for additional provision, with key findings as follows:
- There is a sustainable cluster of arts and cultural venues all within 1 mile of the City centre, co-located with good transport links, available parking, the city centre daytime retail offer, and wider night time economy.
  - These venues serve a very large catchment area: analysis of ticket purchasing data showed that a 50% audience catchment covered 29 miles radius, and a 75% catchment area covered 55 miles radius.
  - The total population in these respective catchment areas is circa 1.5 million (50% catchment) and circa 13.5 million (75% catchment).

- Benchmarking against national standards indicates a significant shortfall in multi-use arts venues and theatres; galleries; production, rehearsal and education space.
- Consultation with key stakeholders endorsed the evidence from the audit and a need for more 'contemporary' venue space in particular, production, rehearsal and education spaces, visual art exhibition spaces, and incubation spaces for digital/ creative activities.

3.7 Three recommendations from the audit work have a specific bearing on the redevelopment of Cambridge Junction:

- The identification of multi-use venues and theatres, production, rehearsal and education space as an area of need.
- The importance of location for sustainability, including co-location with transport nodes (Cambridge Junction is in close proximity to Cambridge Railway Station, the Guided Busway, and several bus routes).
- The importance of community level provision and outreach.

3.8 The second phase of work looked at Cambridge Junction itself, and assessed 4 options; from do nothing, through to full redevelopment of the site, with the following outcomes:

- A 'do nothing' (option 1) and 'minor repairs and refurb' (option 2) are not appropriate solutions as they do not solve the issue that the original J1 building is nearing the end of its lifecycle.
- A partial redevelopment (option 3), replacing the original J1 building with a multi-storey facility. The venue would be topped with creative workspace, and building around the existing and relatively new J2 and J3 to provide additional rehearsal and education space, and create a coherent whole, could be achieved in the near to mid-term. The costs have been estimated at circa £17m, with potential investment and grant funding identified to £14.5m-£16.5m. There are time constraints on potential investment.
- A full redevelopment (option 4) is also possible, but at this stage still carries significant unknowns both in terms of timescale and funding.

3.9 The following table sets out a SWOT analysis for option 3 and option 4.

	<b>Option 3 - Partial redevelopment</b>	<b>Option 4 - Full redevelopment</b>
<b>Strengths</b>	<ul style="list-style-type: none"> <li>Retains the distinctive character and feel of the Junction venue</li> <li>Potential for external investors to provide all required funding</li> <li>If City Council capital funding is required, there could be a return on this investment</li> </ul>	<ul style="list-style-type: none"> <li>The scheme could possibly include additional commercial activity and/or a residential element</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>External capital investment in the region of £15m</li> <li>Delivers economic outcomes for the City through creative industry work and office space</li> </ul>	<ul style="list-style-type: none"> <li>A blank canvas to completely reconfigure the site</li> </ul>
<b>Weaknesses</b>	Does not include opportunities for any residential development	<ul style="list-style-type: none"> <li>The detailed scheme would take significantly longer to progress at this stage, risking the loss of current external investors</li> <li>If developed all at once, the venue would need to close entirely for at least 2 years</li> <li>Residential elements are difficult to combine with music and performance venues</li> </ul>
<b>Threats</b>	Delivering the scheme within the timeframe required to leverage external investors funding	Significantly more expensive option, with higher level of uncertainty over funding routes

3.10 Option 3 is the option for initial phase 1 development, recommended by the Joint Project Board and by City Council Officers. Alongside an opportunity to develop a site wide masterplan, this option provides a good fit with the project drivers at the same time as providing a deliverable solution. The wider outline masterplan will ensure that the first phase (option 3) is planned within the context of assessing future options across the whole Junction site to ensure that this phase and possible future developments deliver a coherent scheme.

- 3.11 The next stage of the project is to progress to the point at which a formal application can be made to Arts Council England for capital funding.
- 3.12 The timing of the next round of Arts Council England capital funding is not yet known, however an announcement could be made during Spring 2018, and to be eligible to apply, the project must be developed to RIBA Stage One.
- 3.13 The work included to RIBA Stage One includes:
- Developing and agreeing the strategic brief and quality objectives / standards.
  - Site and context analysis work.
  - Planning commentary and policies.
  - Proposed site development strategy diagrams and massing.
  - Team responsibilities matrix.
  - Outline programme and budget.
  - Masterplan options assessment.

In addition to these works, the Council will also engage a specialist VAT adviser and theatre design specialists.

## **4.0 Implications**

### **(a) Financial Implications**

Internal project management work undertaken on this project is being supported by Transformation funds.

### **(b) Staffing Implications**

None identified

### **(c) Equality and Poverty Implications**

Not required at this stage, will be completed as part of the next stage work.

### **(d) Environmental Implications**

No impact at this stage. There is an opportunity to explore previously identified and new schemes to improve walking and cycling access to the Cambridge Junction site.

### **(e) Procurement Implications**

Work to take the project to RIBA stage 1 and additional specialist advice will be procured in line with the City Council procurement procedures. Partnering implications will also be considered within the relevant frameworks.

### **(f) Community Safety Implications**

None identified at this stage.

## **5. Consultation and communication considerations**

Consultation with key stakeholders was completed as part of the infrastructure audit and the options appraisal. Prior to any development work being progressed a statement of community engagement will be produced including targeted community consultation.

## **6. Background papers**

None

## **7. Appendices**

Confidential (Exempt document under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

## **8. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact Jane Wilson tel: 01223 - 457860, email: [jane.wilson@cambridge.gov.uk](mailto:jane.wilson@cambridge.gov.uk).