

Report to:	EXECUTIVE CABINET
Date:	28 April 2021
Executive Member:	Councillor Oliver Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Jayne Traverse – Director of Growth Gregg Stott – Assistant Director Investment, Development & Housing
Subject:	ST PETERSFIELD FUTURE – COMMISSIONING OF DEVELOPMENT REPORTS
Report Summary:	This report provides the next steps in the programme for the redevelopment of St Petersfield in Ashton Under Lyne. The report provides some background information on the progress so far and provides details of the recommended next steps for the site’s delivery. In addition, the report identifies recommendations for member approval.
Recommendations:	That Executive Cabinet be recommended to: <ul style="list-style-type: none"> (i) Appoint consultants to undertake a study reviewing the deliverability of office development in the area considering both short- and long-term delivery. (ii) Following the review above, appoint a consultant to undertake a Delivery Options Report for each Parcel. (iii) To procure a multidisciplinary team to prepare a Development Prospectus to cover the St Petersfield masterplan area and deliver other tasks associated with the Evergreen Fund. (iv) Approve the budget sum of £0.127m to finance recommendations 1 to 3 which is to be funded via a total available budget of £ 0.327m as set out in table 1 section 8.1. The £0.127m is to be financed in equal proportions via the Growth Directorate revenue budget and Evergreen grant funding (£0.0635m via each funding source). (v) Approve the carry forward of £0.200m of Council funding allocated to the Growth Directorate revenue budget in 2020/21 to 2021/22 via Council reserves for the development of St Petersfield as stated in section 8.1, table 1. This sum is within the total available budget of £ 0.327m. (vi) Approve interim revenue funding (£0.020m) via the aforementioned £0.200m budget in 2021/22 to finance the works stated in section 7 to the public realm in the St Petersfield area whilst a detailed report is prepared considering future management and maintenance arrangements.
Corporate Plan:	Key aims of Corporate Plan are to provide opportunities for people to fulfil their potential through work, skills and enterprise and to ensure modern infrastructure and a sustainable environment that works for all generations and future generations. The proposals outlined in this Report supports these aims in the areas of job creation and environmental sustainability.

This proposal supports the policy aims of the Council's emerging inclusive growth strategy, the Council's growth priorities agreed at Council February 2020 and the emerging draft Greater Manchester Spatial Framework.

Policy Implications:

The redevelopment of St Petersfield is an integral part of the Eastern Growth Cluster and in the Borough's Inclusive Growth Strategy. The areas delivery will contribute to improvements in job opportunities, workspace and infrastructure.

St Petersfield is designated as an established employment area in the Tameside Unitary Development Plan and is covered under policy E3 of that document.

**Financial Implications:
(Authorised by the statutory
Section 151 Officer & Chief
Finance Officer)**

On 26 August 2020, the Executive Cabinet approved the Evergreen Surplus Round II grant funding agreement of £0.127m to support this development. This sum was approved on the basis of an equivalent £0.127m Council match funding allocation.

The Council match funding allocation will be financed via additional one off budget included in the 2020/21 Growth directorate revenue budget for the development of St Petersfield (£0.200m – table one refers, section 8). This equates to a total budget available of £0.327m.

It is requested that the whole £0.200m of Council funding is carried forward to 2021/22 within Council reserves as there has been no expenditure incurred in 2020/21. This will allow the delivery of the scheme as intended when the budget was allocated as part of the 2020/21 budget setting process and will also allow the Evergreen funding to be accessed. The Evergreen funding of £0.127m will be claimed in 2021/22 as expenditure is incurred and prior to the grant agreement end date of 31 December 2021.

In addition, the sum of £0.020m to finance the interim maintenance of the public realm as stated in recommendation 6 and section 7 of the report, will also be financed from the aforementioned £0.200m Council funding.

A remaining balance of £0.180m is available to support any further related investment at St.Petersfield as stated in table two, section 8.

It is essential that procurement advice is sought via STAR and that Members have assurance that value for money has been realised within the procurement process and prior to award of contract. This will require Section 151 officer assurance.

Any related future investment requirements associated with this development (including legacy issues) will be subject to a separate report to Members at a later date. This will include the related investment and financing options as there is currently no funding allocated for the St Petersfield site in the approved capital programme. The report will also include details of any recurrent revenue funding implications.

**Legal Implications
(authorised by the Borough
Solicitor)**

There are currently a number of interrelated matters that the project officers are endeavouring to address in order to resolve some of the issues which have affected this project.

In order to address these issues due diligence is required especially in relation to potential liabilities and site inspections.

Whilst the due diligence and options are being undertaken and considered the project team is concerned to address the prevailing site conditions hence the request for funding to maintain the public realm in the interim.

As referred to elsewhere in the report the project officers not only need to ensure that a compliant procurement route is followed by taking the appropriate advice from STAR but also that a robust process is undertaken as the remit of any consultant appointed at the outset of this project may expand, subject to as always to a compliant procurement process. Any consultants appointed need a clear written scope and should provide the necessary duty of care indemnities in advance of commencing any work.

Risk Management:

a) Potential loss of future economic growth and diversification of the Tameside Economy, through the growth of knowledge intensive employment sectors. Continued lack of opportunity to pursue major inward investment enquiries in the Digital, Creative and Tech and the Business Financial Services sectors that would create high skill, high wage jobs and investment in the Borough and act as stimulus for further investment.

b) The work recommended in this report will minimise the risk of potentially abortive development, aligning Tameside Council's plans for delivery with the market's requirements.

The impact of COVID-19 on future working practices will form an integral part of the studies recommended above.

Background Information:

The background papers relating to this report can be inspected by contacting Damien Cutting, Economic Growth Lead



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1. INTRODUCTION

- 1.1 The purpose of this report is to seek approval to begin the procurement and delivery of the recommendations. The report below will provide further information and background to support these recommendations and a vision document site plan is presented in **Appendix A**.

2. BACKGROUND

- 2.1 The area of St Petersfield, at the West end of Ashton Town Centre, forms a key gateway into the town centre. St Petersfield will create a high-quality commercial-led mixed-use environment, providing Ashton with its first town centre business park. Following the development of the area in the period up to 2010, facilitated by £18.3m of public sector investment, and delivered via a joint venture between the Council and ASK Developments, St. Petersfield became Tameside's primary office location, offering the largest concentration of Grade A office space in the borough.
- 2.2 The initial development phase delivered 32,359 square metres of floorspace, with 0.75 hectare of public realm and infrastructure, reclaiming 4.77 hectares of brownfield land. An estimated £44m of private sector investment was leveraged into the scheme. St Petersfield diversified and improved the office offering of the borough and successfully secured the presence of Purple Wi-fi, Pearsons Solicitors, the Pennine Care NHS Foundation Trust and further investment from Network Connect.
- 2.3 The financial crisis of 2008, with its subsequent negative impact on the commercial property market nationally, saw the development of St. Petersfield stall, with more than half of the scheme's proposed floor space undelivered. This loss of momentum has led to the failure to deliver any further floorspace in the area, resulting in a shortage of grow on space for businesses, and it is believed led to Purple Wi-Fi leaving the borough in 2016 as they were unable to secure an office in Ashton which could accommodate 250 desks.
- 2.4 The successful redevelopment of Ashton Old Baths (AOB) as a Digital Incubator Centre, with its 700 square metres of office space being fully let within a couple of months after its opening. Since then, it has maintained 90%+ occupancy levels until early 2020. This has breathed new life into the area as a potential focus for inward investment in the borough by the rapidly growing digital and creative sector. Realising an average inclusive rent value of £33 per square foot, AOB has shown that there is an appetite for the right space outside of Manchester City Centre, with the development plots on St. Petersfield offering an opportunity for the borough to attract businesses.

3. OFFICE DEVELOPMENT

- 3.1 St Petersfield is the Boroughs flagship office location at the West end of Ashton Town Centre. It is a key gateway into the town centre and produces footfall to support the current retail offer in Ashton.
- 3.2 The St. Petersfield Masterplan (2018) identified 7 key office development plots, which if delivered will total almost 29,000 square metres of office space, with the capacity to create 1,900 jobs, generating an estimated £1.75m of business rates income at 2018 valuations, and with a GVA of £100m for the borough.
- 3.3 However, since the 2018 Masterplan, the country's economy and working arrangements have changed as a result of the Corona Virus outbreak. People have adapted by working from home rather than commuting to the office and have become more reliant on digital infrastructure. There is speculation as to whether the change in working arrangements will

be temporary or will be longer term. Some businesses have already announced they will downsize their physical office space as developments in technology has allowed for efficient home working.

- 3.4 As a result of these changes, it is recommended that the Council appoints a Consultant to undertake a study reviewing the deliverability of Grade A office development at St Petersfield. This study should focus on potential demand for office space in the short and long term and identify a quantum that is deliverable within these timescales.

4. DELIVERY OPTIONS

- 4.1 With the economy currently in an unpredictable state it is appropriate to consider the delivery options for each development parcel considering short- and long-term possibilities. Possible delivery options for the different parcel's include:

- **Direct Development** - This delivery option would mean the Council delivering the scheme on the development parcel. A development contractor would need to be procured and appointed and would be funded by the local authority.
- **Joint Venture Partnership** - This Option would mean the Council partnering with a private sector investor to bring the site forward. The Council would provide the land and the investor the finance necessary to deliver the scheme.
- **Land Sale** - This option is based on the council disposing of the site to a developer for the optimum value. The disposal could be conditional on achieving planning permission or the local authority could obtain planning permission first and then sell the site with the benefit of permission.

- 4.2 The list above is not exhaustive and further options will be identified through the appointed consultant's report. Depending on the delivery option chosen, consideration will need to be given to funding options. Given the immediate pressure on public sector resources as a result of Covid19, this may impact on shorter terms options.

- 4.3 Procuring a Delivery Options Report is recommended to inform decision making as it will highlight the strengths, weaknesses and risk of potential options by an industry expert.

5. DEVELOPMENT PROSPECTUS AND EVERGREEN FUND

- 5.1 St. Petersfield has had several visions for its future laid out since development of the area stalled with the financial crash of 2007/8. Reviews of the initial masterplan were undertaken in 2011 and 2013, with the use of more space in the area for residential proposed.

- 5.2 In 2018, responding to the initial success of the Ashton Old Baths (AOB) redevelopment, the developing demand in the Manchester office market for Grade A space, and the Council's emerging economic strategy, Tameside Council engaged Ryder's Architecture to review the 2013 St. Petersfield Masterplan. Their brief was to produce a vision for the area which would appeal to the city region's fast-growing Digital, Creative and Tech Sector, utilising the borough's newly installed dark fibre network as its underpinning.

- 5.3 Despite the success of AOB, and a hub of digital businesses to the north of Hyde town centre, Tameside is currently underperforming in terms of representation of this sector. Less than 2,000 digital and creative employees are currently based in the borough. The delivery of the masterplan, focused on the digital, creative and tech sector fits with the GM Strategy and is aimed at addressing the discrepancy between the performance of the City Region and Tameside, in attracting and growing businesses which provide high skill, high wage jobs.

- 5.4 To complement and advance work undertaken to date on St Petersfield the Council has secured Evergreen Grant Funding of £0.127m to part fund a development prospectus and feasibility works to bring the St Petersfield development to the market. The Grant will be match funded by an additional £ 0.127m via the Growth Directorate revenue budget (table 1, Section 8 of the report refers) and will be used to fund the following tasks:
- **Task 1: Site Wide Development Prospectus** - To procure a multidisciplinary team to prepare a Development Prospectus to cover the St Petersfield masterplan area. To include agreed strategies for utilities, access, drainage, landscape, public realm, wayfinding, pedestrian, cycle and parking/ loading strategies.
 - **Task 2: RIBA Stage 2 Development for office building 03** - Design development of office building 03 up to end of RIBA Stage 2 with associated cost plan and risk assessments, sufficient for the submission of a detailed planning application.
 - **Task 3: Cost Plan Update for Office Building 01** - Preparation of an RIBA Stage 2 Cost Plan for office building 01.
 - **Task 4: Development/ Marketing Prospectus for office buildings 01 and 03** - The preparation of a development prospectus/ marketing brochure for both office buildings 01 and 03. The document is to be an A4/A3 graphic design quality brochure to include marketing plan, visuals and outline specification for promotional purposes.
- 5.5 The delivery of the Tasks set out above will in part bring more certainty to St Petersfield and lead to a more holistic delivery of the development area. Tasks 2 to 4 will focus on the detail of individual parcels bringing to reality the vision for the area.
- 5.6 The following table indicates indicative costs for completing the work noted above, however it is subject to change following the procurement process and is not an exhaustive list. The programme will be managed and monitored by the Director of Growth.

Work to be undertaken	Estimated Cost £'000
Report considering the deliverability of Grade A office space in St Petersfield	5.0
Delivery Options Report for each Parcel <ul style="list-style-type: none"> - 6 parcels to be appraised - Multiple Delivery Options for each parcel - Identification of potential funding options - Considering strengths, weaknesses and risk of potential options 	15.0
Site Wide Development Prospectus: <ul style="list-style-type: none"> - Procure multidisciplinary team - Develop strategies for: <ul style="list-style-type: none"> • utilities • access • drainage • landscape • public realm • wayfinding • pedestrian • cycle and • parking/ loading 	55.0
RIBA Stage 2 Development for office building 03. To include: <ul style="list-style-type: none"> - cost plan - risk assessments 	30.0
Cost Plan Update for Office Building 01. <ul style="list-style-type: none"> - RIBA Stage 2 Cost Plan 	10.0
Development/ Marketing Prospectus for office buildings 01 and 03	12.0
Total	127.0

6 PROCUREMENT

- 6.1 Due to the multi-phase nature of the consultancy to be undertaken, guidance will be taken from STAR Procurement to explore the best options to gain value for money for the council. At this point it is envisaged that in order to maximise efficiency, gain economies of scale and minimise the staff time involved in project management, the best route would be to procure one consultant to manage the production of all the relevant documents and reports outlined in the recommendations.

7. INTERIM MAINTAINANCE OF PUBLIC REALM

- 7.1 It is estimated that a revenue sum of £0.020m is required in order to carry out interim maintenance of the public realm to the St Petersfield area. This work is necessary, as currently, there are no arrangements in place to undertake these public realm works. This interim maintenance is to ensure the area is secure, managed, maintained and monitored. Such works include grass cutting, cleaning of verges, upkeep of flowerbeds, litter picking and keeping the area/public realm clean and tidy (this is not an exhaustive list of actions). This work will be funded by the existing one off revenue budget from the Growth Directorate for St Petersfield (£0.200m) and will be delivered and managed through the Director of Growth. A further report is under preparation and will be brought forward for consideration in due course containing recommendations as to future maintenance of the public realm. The following table is subject to change but currently indicates the estimated expenditure for the interim maintenance of the public realm.

Public Realm Maintenance	Estimated Cost £'000
Grass Cutting	2.5
Cleaning of Verges	2.5
Upkeep of Hedges, Trees and Flowerbeds	5.0
Litter Picking and Disposal	2.5
Cleaning the Public Realm	7.5
TOTAL	20.0

8. FINANCIAL SUMMARY

- 8.1 Table 1 provides summary details of the available funding for St Petersfield.

St Petersfield Funding	2020/21	2021/22	Total	Approval	Comments
	£'000	£'000	£'000		
Council					
Investment Potential	150.0	0	150.0	Council - 25/02/20 - 20/21 Council Budget Report	
Strategy Development	50.0	0	50.0	Council - 25/02/20 - 20/21 Council Budget Report	Included within £0.300m allocated for strategy development
	200.0	0	200.0		
Evergreen					
GMCA - Evergreen Round 2	127.0	0	127.0	Exec Cabinet 26/08/20	To be spent by 31/12/21 - 100% Match Funding Required
Total Funding	327.0	0	327.0		

- 8.2 Table 2 provides summary details of the commitments against this funding allocation. It is requested that the whole £0.200m of Council funding is carried forward to 2021/22 within Council reserves as there has been no expenditure incurred in 2020/21. This will allow the delivery of the scheme as intended when the budget was allocated as part of the 2020/21 budget setting process and will also allow the Evergreen funding to be accessed. The Evergreen funding of £0.127m will be claimed in 2021/22 as expenditure is incurred and prior to the grant agreement end date of 31 December 2021.
- 8.3 In addition, the sum of £ 0.020m to finance the interim maintenance of the public realm as stated in recommendation 6 and section 7 of the report, will also be financed from the aforementioned £0.200m Council revenue budget in 2021/22.

Table 2

	Council	Evergreen	Total	
	£'000	£'000	£'000	Approval
Available Budget	200.0	127.0	327.0	
Funding Commitments				
Development Prospectus and Feasibility Works	63.5	63.5	127.0	Exec Cabinet 28/04/21
Interim Public Realm	20.0	0.0	20.0	Exec Cabinet 28/04/21
Total	83.5	63.5	147.0	
Remaining Balance	116.5	63.5	180.0	

9 RECOMMENDATIONS

- 9.1 As set out at the front of the report.

APPENDIX A – Vision Document Site Plan (Source: Vision Document – PLANIT-IE)

Key Principles:

- 1 Gateway defined by landmark buildings (corners defined through balcony spaces and threshold definition within carriageway)
- 2 Building overhang further defines gateway space
- 3 Street continues into active atrium space, including material banding, thus strengthening the internal/external relationships
- 4 Rhythm of banding is defined by spacing of building structure
- 5 Space continues through to engage with Stamford Street
- 6 Space provides focal point to adjacent buildings and could be delivered with an early building phase - space more sheltered in character/quality
- 7 Potential residential use to add vibrancy to St Petersfield - overlooking internal space and square
- 8 Potential deck car park
- 9 Green edge to quarter creates soft edeg to significant highway
- 10 Extend Henry Square through to Ashton Old Baths and remove through traffic, with the exception of servicing
- 11 Sub Square provides turnaround, drop off and disabled parking
- 12 Stamford Street defined through continuous material, which flows into adjacent atrium space
- 13 Sub Square continues through to engage with Stamford Street and is activated through adjacent atrium spaces and utilised by building occupants
- 14 Transitional Square/Space is activated through adjacent atrium spaces and utilised by building occupants
- 15 Gateway space defined by continuous material

