

Report to:	EXECUTIVE CABINET
Date:	23 March 2022
Executive Member:	Councillor Gerald Cooney – Executive Member for Housing Planning and Employment Councillor Oliver Ryan – Executive Member for Finance and Economic Growth
Reporting Officer:	Ian Saxon – Director of Place Gregg Stott – Assistant Director Investment, Development & Housing, Place
Subject:	STALYBRIDGE DEVELOPMENT UPDATE & NEXT STEPS
Report Summary:	This report provides an update on the work undertaken in Stalybridge Town Centre and sets the next steps in the programme for the continued growth of Stalybridge and recommended next steps for delivery seeking Member approval.
Recommendations:	That Executive Cabinet Note the work delivered and planned in Stalybridge Town Centre and be recommended to: <ul style="list-style-type: none"> (i) Agree the resubmission of a Stalybridge bid application as part of the national Levelling Up Programme Round 2 with the bidding process due to be announced in spring 2022. (ii) Agree to incur expenditure of up to £40,000 associated with the resubmission of the Levelling Up bid including the appointment of a multidisciplinary team to support the bid as set out in sections 4 and 5 and the Director of Place to manage the programme of works and services. (iii) Agree to undertake an initial public consultation on the emerging Masterplan as produced under the Evergreen Phase 1 Work and as contained within this report. To note, that further and full consultation(s) with the public and key stakeholders will be held throughout 2022. (iv) Agree to undertake the necessary procurement exercises (via STAR) and to appoint a Multi-Disciplinary Team to take forward the wider supportive studies building upon the Evergreen Phase 1 funded work around the emerging and initial Masterplan footprint as identified in paragraph 1.3 of this report. (v) Agree to incur total expenditure of up to £290,000 (subject to external funding bids and successful awards) associated with the wider supportive studies as set out in paragraph 1.3 and section 5 of the report. The Director of Place to manage the whole programme of works and services as set out within this report and to bid for funding, drawdown and incur all expenditure related to the delivery within the Council’s financial and legal framework. For the avoidance of doubt this means the Director will need to approve Executive Decisions for the expenditure. (vi) To note that Council owned sites as set out in section 3 (excluding the GMPF sites) of this report to now go through

the Corporate Strategic Asset Management process to declare sites as surplus to requirements.

- (vii) To note that all on-going performance and reporting will be provided as necessary relating to the works/services contained within this report.

Corporate Plan:

Key aims of Corporate Plan are to provide opportunities for people to fulfil their potential through access to quality housing accommodation, 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 will contribute to improvements in housing choice, job opportunities, workspace, infrastructure, environmental improvements and sustainability.

Policy Implications:

The development of vacant sites for residential and commercial uses will support the policy aims of the Stalybridge GM Mayor's Town Centre Challenge, deliver priorities in the Town Centre Challenge Action Plan, the Borough's Inclusive Growth Strategy 2021, the Housing Strategy 2021 to 2026, Tameside Climate Change & Environment Strategy, the Council's growth priorities agreed at Council February 2020 and the draft Greater Manchester Places for Everyone joint development strategy.

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

The report provides details of proposed redevelopments within Stalybridge Town Centre including a proposal to resubmit a revised Levelling Up Fund bid that was unsuccessful in 2021.

Table 2 section 5 of the report provides the estimated cost details of the associated work programme (£290,000). The Council was awarded £125,000 from the Department for Levelling Up Housing and Communities (DLUHC) in October 2021 to support the Round 2 funding bids. £75,000 of this grant will contribute towards the aforementioned work programme costs as £50,000 will support a Levelling Up Fund bid for Denton which is subject to a separate report.

An estimated sum of £215,000 of grant funding will be sought (as referenced in table 2 section 5) to finance the balance of the work programme via Homes England, Brownfield Homes, Brownfield Infrastructure and GMCA Evergreen 4 grant opportunities. Any balance that is not financed by grant funding will need to be identified within the existing 2022/23 Place Directorate revenue budget.

It is noted that recommendation (vi) states that the Council owned sites within section 3 of the report will proceed to the Corporate Strategic Asset Management process to declare the sites as surplus to requirement for disposal. This will be subject to a separate approval report and will include an estimate of the expected capital receipt that will be realised.

The value of the additional Council Tax and Business Rates revenue funding that the Council will realise via the proposed increased residential and commercial units in the locality will be subject to further due diligence.

Table 1 (section 3.5) provides a summary of the net income received for each of the Council owned sites 6, 7 and 8 for 2019/20

(i.e. pre the Covid pandemic) for reference. Details for the 2020/21 financial year have been excluded due to the impact of the pandemic. Table 1 also provides summary details of the current financial year (2021/22) net revenue budget and net income forecast. Clearly the Covid pandemic has also had an impact on the level of car parking income receivable in the current financial year. The impact of the car parking income loss on these sites will be evaluated and compared to the net income that will be realised by the proposed new multi storey car park (referenced in section 3.9). The related details will be included in a subsequent update report to Members.

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 any contracts required to deliver the work programme referenced in section 4 and 5 of the report. This will require Section 151 officer assurance.

Any related future investment requirements associated with these developments 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 or available in the approved Council capital programme.

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

The project officers are proposing to make a number of external appointments to help to continue to drive the momentum.

As set out in the report STAR need to be involved in the procurement process to ensure that it is not only legally compliant but also ensures best value for the council. It will also be critical that council officers remain central to this project and robustly manage the external support.

The financial implications also highlight that currently there is insufficient budget from the grant funding received to date to cover all of the spend set out in funding summary section. Therefore, particular care will have to be taken to ensure that no commitments are made for which there is insufficient funding.

The project officers hope to secure additional funding and it would be advisable that when seeking the governance in relation to the additional funding bids that Members are also updated on progress and spend at that time. It would also be advisable if the funding issue is captured in the projects risk register.

With regards to the funding already secured the project officers will be mindful to use the funding and manage the works in accordance with the terms of the funding agreement to avoid triggering any clawback provisions.

Risk Management:

Potential lack of capacity within the Council to undertake work streams in line with the Council's growth priorities and expectations.

Partnership arrangements to be formalised as required on selection of preferred strategic development partners.

Background Information:

The background papers relating to this report can be inspected by contacting Patrick Nolan, Head of Housing



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1. INTRODUCTION

- 1.1 The Council has identified Stalybridge Town Centre, as one of its priority areas to deliver the objectives of the Tameside Inclusive Growth Strategy 2021-26 in making our town centres hubs for living, culture, employment and services supporting a sustainable retail sector.
- 1.2 This report provides an update on the work undertaken in the Town Centre and seeks approval for resubmission of a Stalybridge Town Centre bid to Round 2 of the national Levelling Up Programme and for delivery of the next steps in the programme around the emerging initial Masterplan footprint which will focus initially on the sites as outlined within this report and building upon the Evergreen work already undertaken (See **Appendix A & B**).
- 1.3 This will include the commencement of a programme of work to produce a development prospectus, next stage planning and delivery strategies and undertake a Soft Market Test around the development opportunity in Stalybridge on the emerging and initial Masterplan footprint as detailed below;
- a Development Prospectus
 - to support the Development Prospectus, necessary work to be undertaken including all relevant due diligence and development work around next stages including taking relevant development plots to RIBA Stage 2, and possibility of an outline planning application to assist with bringing the plots to market. On completion of the next stage works, a comprehensive Planning & Development Strategy will be brought back to Executive Cabinet for decision.
 - prepare documentation and undertake an initial soft market test exercise working directly with STAR and the appointed Multi-Disciplinary Team for the delivery of the project against the emerging Masterplan for Stalybridge, building on the Evergreen work. This to focus initially on the development potential and sites contained within this report.
 - Working in parallel with the soft market test, a detailed level Commercial, Investment & Delivery Strategy to be developed around the emerging Masterplan of the Evergreen work.
 - The detailed Commercial, Investment & Delivery Strategy (informed by the soft market test) will be brought back to Executive Cabinet with recommendations for a decision on options to progress to a formal and full market exercise to secure a Strategic Partner(s) for the delivery of the Stalybridge Masterplan.
 - To undertake further detailed Open Space & Public Realm design work across the emerging Masterplan footprint and the common areas in Stalybridge Town Centre.

Adults Services are already working in partnership with the Greater Manchester Pension Fund (GMPF) as committed to undertaking early first phase development on GMPF land (plots 1 to 3 inclusive - GMPF land sits within this developmental Masterplan for Stalybridge) and this will progress whilst the work in 1.3 above is developed to avoid any delay.

- 1.4 GMPF are an integral stakeholder to Stalybridge and is the only Fund in the UK with a Place Based allocation of 5%. This Place Based commitment will continue to drive both short & long term development opportunities, for Towns like Stalybridge, working in partnership with the Council. This will provide further confidence to the market and the Borough as a whole.

2. BACKGROUND

- 2.1 Stalybridge Town Centre was selected as Tameside's focus for the GM Mayor's Town Centre Challenge in 2018. Initial work to plan and progress the delivery of Stalybridge's Town Centre Challenge was co-ordinated by the Stalybridge Town Centre Challenge (STCC) Board and the Stalybridge Town Centre Challenge Action Plan – Our Place Our Plan which set out the aspirations for the town centre.

- 2.2 Key themes from the Action Plan include:
- Provision of and access to quality and mix of housing in the Town centre
 - Improvement to the environment, greening the town centre, utilising and enhancing access to the waterways
 - Enhancing connectivity across the Town
 - Improving the wellbeing for established and new residents
 - Improving the economic environment in the town centre supporting existing and new businesses
- 2.3 In September 2019 it was announced that Stalybridge would be one of 69 high streets benefiting from a share of a £95 million High Street Heritage Action Zone fund over a 4 year programme. The Stalybridge High Street Heritage Action Zone (HSHAZ), funded through a £1,275,000 grant from Historic England and £1,275,000 match funding from the Council, is helping to regenerate areas of the town centre including Market Street and restore the town's local historic character. The project drew on the priorities expressed through the draft Strategy and Action Plan, matched against the criteria for HSHAZ funding, and has eight strands:
- (a) The Historic Walk to provide connectivity, improve safety, remove clutter and improve signage,
 - (b) Repairs to the Civic Hall to future proof this historic building,
 - (c) A feasibility study to look at re-purposing of the market space in the Civic Hall,
 - (d) Internal re-purposing of the market space in the Civic Hall,
 - (e) A repair and reinstate grant scheme along the historic walk and into the cultural centre,
 - (f) Project officer post to administer and provide liaison for the project,
 - (g) The community engagement funds will provide money for events and workshops in relation to the scheme as well as a marketing budget to promote and raise awareness of the scheme, and
 - (h) Market Street Studies.
- 2.4 Funding of £360,000 has been secured from the Brownfield Homes Fund to enable the redevelopment of 24 new apartments at the Stalybridge Police Station site. By delivering these homes, and removing a derelict brownfield site in the centre, new residents will be able to live in the core of the town centre, to support the town's retail, culture and leisure offering. Subject to planning approval, demolition of the Police Station is expected to take place in the spring 2022. It should be noted that this will not be a capital scheme managed by the Council and the Council will therefore not receive the aforementioned Brownfield Homes Fund grant.
- 2.5 In July 2021 the Council launched an early evening street food and drink market, offering a wide array of hot food, drinks, family entertainment, and live music. The events have drawn thousands of visitors to the town, with significant local economic, social and environmental benefits. Launched on a six month trial basis using money the Council secured from the Welcome Back Fund, due to the success of the event the Council has agreed to continue the event in 2022.
- 2.6 The Council has secured £100,000 for development funding from Transport for Greater Manchester (TfGM) to progress the Stalybridge Interchange Options Study. The Stalybridge Action Plan identified the need to determine the future role of Stalybridge Bus Station and consider the potential for its relocation into a more appropriate location. The Council has now commenced work to develop options for a potential new transport interchange (bus and rail) in and around the existing rail station, linked to the wider programme of regeneration in the Town Centre, mindful of potential for future Metrolink/tram - train services.
- 2.7 In January 2022, the Council was successful with a Town of Culture bid to GMCA, which has secured an additional £50,000 to support a programme of cultural activity in Stalybridge during 2022. This will enable Stalybridge to build on its existing vibrant programme of cultural activity and bring further exciting opportunities for residents and visitors as well as a lasting legacy for the town, working in partnership with The Bridge Cultural Consortium. The

Stalybridge Town of Culture Programme 2022 will complement existing work taking place in the town. The cultural programme will promote projects that enable people to slow down, connect with the local environment and celebrate the cultural value in activities such as artist-led walks and trails, community growing projects and outdoor activities such as theatre and storytelling. These will tie in with existing cultural highlights in the town, such as the Street Fest event.

- 2.8 In the process of creating the Housing Strategy 2021 to 2026 the Council commissioned a Specialist Housing Needs Review and a Housing Needs Assessment (HNA) 2020 Update. These two documents provide up to date evidence to support and help shape future planning and housing strategies for Tameside complimenting the Greater Manchester Housing Market Assessment and the emerging Places for Everyone Plan. In developing the masterplan and indicative proposals, regard has been had to ensure account is taken of the National Planning Policy Framework and the Housing Needs evidence base to ensure sustainable development. The indicative proposals from the Evergreen Study working in conjunction with Tameside's Adult, Childrens and Housing Advice Services provides for right size, type and tenure of accommodation to meet the needs and demand from different groups in the community including affordable rent, market rent and home ownership options. This provision includes accommodation for young and older residents, families with children, people with disabilities, those with support needs and those wishing to commission or build their own homes.

3. EVERGREEN PHASE 1 STUDY

- 3.1 On the 12 February 2020, a report with the subject title of 'Stalybridge Town Centre Challenge' was taken to Executive Cabinet to provide an update on the progress with Stalybridge Town Centre Challenge, including the development of the Strategy and Action Plan. The report also updated on the position with regard to external funding to take projects and feasibility studies forward and their financial implications including Evergreen Surplus Funding Phase 1 secured by the Council from GMCA.
- 3.2 Executive Cabinet approved in principle, subject to the grant offer conditions and the appropriate due diligence being undertaken, the acceptance of £130,000 Evergreen Surplus (Round I) funding, to undertake development studies, briefs and appraisals of Council and Privately owned sites in Stalybridge Town Centre to start the development of an initial emerging Masterplan (and Masterplan footprint). The Grant Funding Agreement was put in place in 2021, Consultants appointed, with reports and presentation documents developed throughout 2021.
- 3.3 The sites identified for the study comprised large vacant and underused land in council and private ownership with a focus on the West End. Progress reports and updates on the Evergreen work were made on a regular basis at the Stalybridge Advisory Group meeting.
- 3.4 Following a review of previous work undertaken as part of the Town Centre Challenge and Master Planning, eight sites were identified as requiring further investigation and feasibility appraisal studies. The sites 1 to 8 are identified on the plan at **Appendix A**, and are further described below:

Sites 1 to 3

Owned by GMPF, all sites are referred to as Harrop Street.

Sites 1 and 2 comprise two vacant properties and small site to rear off Market Street. Site 3, referred to as Harrop Street comprises a small tarmac car park and a large securely fenced off site bounded by the River Tame and Chapel Street.

Sites 4 & 5

Both owned by the Council, site 4 is a large vacant parcel of land across the River Tame from

sites 1 to 3, is vacant and securely fenced off bounded by the River Tame and Caroline Street.

Site 5, a small vacant and open site on Caroline Street/ Bridge Street at the wharf head of the Huddersfield Narrow Canal.

Site 6

Owned by the Council, this land is utilised as a surface (unmade) car park. The site has frontages on both Castle Street and the Huddersfield Canal

Site 7

Owned by the Council, used as a tarmac surface car park. The site has frontages to Castle St, Back Melbourne St and the Huddersfield Canal.

Site 8

Owned by the Council, used as a tarmac surface car park. The site is off Waterloo Road and has a frontage on to King St.

3.5 Table 1 provides a summary of the net income received for each of the Council owned sites 6, 7 and 8 for 2019/20 (i.e. pre the Covid pandemic) for reference. Details for the 2020/21 financial year have been excluded due to the impact of the pandemic. Table 1 also provides summary details of the current financial year (2021/22) net revenue budget and net income forecast. Clearly the Covid pandemic has also had an impact on the level of car parking income receivable in the current financial year. The impact of the car parking income loss on these sites will be evaluated and compared to the net income that will be realised by the proposed new multi storey car park (referenced in section 3.9). The related details will be included in a subsequent update report to Members.

Table 1

Site	2019/20	2021/22	2021/22	2021/22
	Net Income	Net Budget	Net Forecast Outturn	Net Forecast Variation
	£'000	£'000	£'000	£'000
6	4	(1)	2	3
7	20	19	11	(8)
8	29	22	17	(5)
Total	53	40	30	(10)

N.B. () : Net Expenditure / Adverse Variance

3.6 In developing the indicative proposals for the redevelopment of the subject sites, account has been taken of the context in which they are situated both their immediate surroundings and that of the Town Centre. The Evergreen work delivers against the priorities of the Stalybridge Town Centre Challenge Action Plan and builds upon the previous Master Planning, set in the context of the previous, existing and ongoing investment underway in the Town Centre together with that which is currently planned and anticipated to be delivered in the future.

3.7 The indicative proposals show the opportunity to utilise the subject sites owned and in the control of the Council, and GMPF to be regeneration catalysts, enhancing new provision of residential and commercial accommodation, recognising the heritage setting, by creating quality environments through well designed places and buildings which are attractive to existing and new people to complement existing uses and users.

3.8 GMPF working closely with the Council will bring forward early first phase development on GMPF land.

- 3.9 From the Evergreen study, the emerging draft Masterplan as represented in the aerial view of the indicative potential development is shown in **Appendix B**. The potential opportunity exists to create:
- A total of 434 homes, mixed type and tenure with an estimated development value of £80 million - £100 million
 - 1,000 new residents with NW average spend representing circa £8 million of annual expenditure
 - Council tax receipts (excluding new Homes Bonus) for the new properties
 - Business Rates via the new commercial space
 - Provision of a new multi-storey car park with 300 spaces – this is an additional 100 spaces to the existing total surface car park provision at sites 3,6,7 and 8
 - Sustainable development using Modern Methods of Construction toward meeting the GM target of carbon neutrality by 2038
 - 100% Brownfield land use 27,656 sqm in area - equivalent 4 football pitches
 - 2/3 of a football pitch of new public realm, enhance connectivity across the town centre.
- 3.10 Information regarding the Evergreen study was the subject of a presentation to the Stalybridge Advisory Group on 2 February 2022. It is now proposed to undertake initial public consultation on the emerging masterplan and scope of opportunity for the Town. There will be a significant and comprehensive public consultation programme undertaken throughout 2022.
- 3.11 During the development of the Evergreen study, a submission was made to the Levelling Up Fund (LUF) to support the delivery of development for 5 of the 8 sites subject to the Evergreen study. While this bid was not successful, the feedback suggested that had the project been worked up further in delivery terms the submission would have secured a higher scoring.
- 3.12 The Council was awarded £125,000 from the Department for Levelling Up Housing and Communities (DLUHC) in October 2021 to support the Round 2 funding bids. This is set out in the Levelling Up Fund Determination Letter dated 19 October 2021 at **Appendix C** and Capacity Funding Grant Determination 2021: No 50/001 at **Appendix D**. The funding is by way of a Section 50 transfer to the Council, none ring-fenced to support the LUF Round 2 bid.
- 3.13 In addition discussions have been ongoing with Homes England to access Revenue Departmental Expenditure Limit (RDEL) funding and with GMCA for the next steps work as set out in the recommendations.

4 DEVELOPMENT PROSPECTUS & SUPPORTING NEXT STAGE WORKS

- 4.1 Stalybridge has had numerous studies and vision documents developed to drive investment and regeneration opportunities for its future.
- 4.2 The opportunity exists to build up on this investment and work taking it to a higher and more comprehensive level to maximise the potential and performance of the Town attracting new residents and businesses.
- 4.3 The development of a prospectus to bring the indicative opportunity, set out in section 1.3, to the market, supported by the wider scope of next stage studies will assist in the preparedness of the opportunity to bid and increase the chances of being successful in the Round 2 Levelling Up Funding (LUF) programme.
- 4.4 Funding required to deliver the prospectus and scope of supporting work as outlined in the Recommendations of this report, are set out in table 2 (section 5).

- 4.5 The resubmission of a Stalybridge bid application as part of the national LUF programme Round 2 due in early spring 2022 will require support from expert partners.
- 4.6 Other regeneration funding opportunities, including Brownfield Homes fund (£300 million due to be announced) and Homes England RDEL, Brownfield Infrastructure Land Fund (BILF) due to be launched, and Evergreen Round 4 will continue to be sought as they are available/open for capital and revenue funding bid applications.
- 4.7 An estimated sum of £215,000 of grant funding will be sought (as referenced in table 2 section 5) to finance the balance of the work programme. Any balance that is not financed by grant funding will need to be identified within the existing 2022/23 Place Directorate revenue budget.

5 FUNDING SUMMARY

Table 2

Work Programme	£'000
Development Prospectus / Soft Market Test / Commercial, Investment & Delivery Strategy, Open Space & Public Realm	150
Next Stage Planning Work (including RIBA Stage 2 on relevant plots) and producing overall Planning & Development Strategy	100
Levelling Up Fund – Expert Partner	40
Estimated Total	290
Funding	
DLUHC Levelling Up Capacity Funding – £125,000 Awarded October 2021 (£50,000 to be utilised to support a Levelling Up Fund bid for Denton which is subject to a separate report)	75
Remaining Balance Via External Funding Bids – Homes England, Brownfield Homes, Brownfield Infrastructure, GMCA Evergreen 4	215
Any Balance To Be Financed via the Place Directorate 2022/23 Revenue Budget if Bids Unsuccessful	
Estimated Total	290
Virement between the Work Programme Expenditure Headings shown above may be needed throughout the delivery of the next stage works although the overarching funding envelope of up to £290,000 will remain.	

6 PROCUREMENT

- 6.1 Advice will be taken from STAR Procurement to ensure that compliant procurement exercises are undertaken and to ensure that all appointments deliver best value.
- 6.2 At this point it is envisaged that in order to maximise efficiency, gain economies of scale and ensure the most efficient project management, the preferred route would be to procure a Multi-Disciplinary Team to manage the production of all the relevant documents and reports outlined in the recommendations. All procurement advice will be taken from STAR.

7 RECOMMENDATIONS

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