

Report to:	EXECUTIVE CABINET
Date:	26 April 2023
Executive Member:	Councillor David Sweeton, Executive Member (Inclusive Growth, Business & Employment)
Reporting Officer:	Julian Jackson, Director of Place
Subject:	FUTURE ST PETERSFIELD DELIVERY STRATEGY
Report Summary:	The report provides an update on the preparation of the Delivery Strategy for the Future St Petersfield Masterplan area and the preferred route to market to deliver the nine identified plots for a mixed development scheme in Ashton Town Centre.
Recommendations:	<p>That Executive Cabinet be recommended to:</p> <ul style="list-style-type: none"> (i) Note the progress on the approach to delivery since the adoption of the masterplan for St Petersfield in January 2022. (ii) Review the options considered and feedback received from the recent Expressions of Interest exercise in regards to the alternative routes to delivering a scheme for St Petersfield. (iii) Approve the delivery strategy including the preferred route to market for procurement of a private sector developer partner in accordance with the Public Contracts Regulations (2015), through a competitive tendering process utilising a streamlined framework such as the Pagabo Framework; (iv) Approve the allocation of £70,000 to progress the St Petersfield Masterplan proposals and resolve historical matters to be financed via the non-recurrent Council's Growth and Investment reserve sum as set out in Appendix 4. The expenditure is to be financed via the reserve sum of £200,000 that was approved for the St Petersfield development in a report to the Executive Cabinet on 28 April 2021. A balance of £74,000 remains at 1 April 2022.
Corporate Plan:	Key aims of the 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. Future development at St Petersfield will deliver against these aims in the areas of job creation, modern infrastructure and a sustainable environment.
Policy Implications:	The proposed interventions to create the Future St Petersfield scheme will support the policy aims of the Council's Corporate Plan, proposals within Places for Everyone agreed at Council 20 July 2021, the Tameside Inclusive Growth Strategy 2021, Tameside Climate Change & Environment Strategy, the Council's growth priorities agreed at Council February 2020 and the Council's Unitary Development Plan.

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

The report provides an update to the preparation of the delivery strategy for the future St Petersfield Masterplan site and the preferred route to market to deliver the nine identified plots for a mixed development scheme in Ashton Town Centre.

Appendix 4 provides an update on the actual and proposed committed expenditure relating to the development that is to be financed via the budget allocation of £327,000 approved by the Executive Cabinet on 28 April 2021.

Of this sum £127,000 is supported via Evergreen grant that must be expended and claimed by 31 March 2023 in accordance with the grant conditions. £200,000 is financed via the Council's Growth and Investment reserve. The value of £70,000 stated in recommendation (iv) and referenced in **Appendix 4** is proposed to be financed via this reserve that has a remaining balance of £74,000. Expenditure of £126,000 was financed via the reserve in 2021/22, the details of which are included in **Appendix 4**.

It is essential that advice is sought from STaR on the preferred route to market for the procurement of a private sector developer as referenced in recommendation (iii).

**Legal Implications:
(Authorised by the Borough
Solicitor)**

As outlined in the report approval is sought for the delivery strategy including the preferred route to market for procurement of a private sector developer partner in accordance with the Public Contracts Regulations (2015), through a competitive tendering process utilising a streamlined framework. Subject to the requisite due diligence being undertaken by STaR Procurement as to whether the framework is suitable for use and the Council is named or otherwise identifiable in the contract notice, frameworks can provide a compliant and effective route to market. STaR Legal would need to advise on the suitability of the terms and conditions of the framework.

Risk Management:

A risk register for the project is in place and regularly reviewed. The main risks are summarised in Section Five below.

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 provide an update on the Future St Petersfield work primarily, to consider a Delivery Strategy that consider the most appropriate route to market and to review legacy matters outlined in a report to Executive Cabinet on 29 September 2021 which approved the striking off of St Petersfield Management Company along with the establishment of a future approach to the management of the estate within the St. Petersfield development area and associated detail of works involved to carry out this task. Following a review of the legacy matters, £16,000 (inclusive of 50 per cent of the legal costs incurred by Ask Developments) is requested in order to settle 50 percent of historical outstanding financial liabilities relating to the upkeep of the common areas in recent years.
- 1.2 In order to ensure that St Petersfield fulfils its potential as being a location for high quality employment, innovation, design, tech and public realm, the Council are keen to progress with future aspirations associated with St Petersfield. The Phase One St Petersfield Masterplan outlines a proposal for a mixed use development on nine development sites comprising commercial, leisure, new homes and an improved public realm. The masterplan was approved by Executive Cabinet on 9 February 2022 and the report outlined the work that would follow in respect of the preparation of a delivery/partnership strategy included in the St Petersfield Phase Two commission that is currently underway.
- 1.3 Despite the Future St Petersfield work priorities and ambition to see significant regeneration in the area, there were a number of legacy issues identified that require a resolution. If these legacy issues were to remain unresolved, progress could be inhibited and result in St Petersfield not fulfilling its potential and not delivering the economic, environmental and social improvements necessary for Ashton and the rest of the borough. It is therefore vital that the legacy issues are understood and resolved so as to lessen an impact on the Futures work.

2. BACKGROUND

- 2.1 As set out in the Tameside Inclusive Growth Strategy (2021), St Petersfield provides a clear opportunity for Tameside to create a modern, tailored development that can provide a hub for the growth of the digital, creative and tech sector in the borough. The installation of a Dark Fibre network into the area, and the completion of a data centre in Ashton Old Baths, ensures digital connectivity to match that available in Media City.
- 2.2 As part of the Eastern Growth Cluster, the recent designation of the Ashton Mayoral Development Zone was approved by Executive Cabinet on 9 February 2022. The Ashton Mayoral Development Zone is a key strategic economic growth opportunity encompassing Ashton-under-Lyne town centre including the St. Petersfield Digital Creative and Tech Hub, and the large scale employment development opportunity of Ashton Moss. The AMDZ comprises three key economic growth projects;
- Ashton-Under-Lyne Levelling Up Fund Project
 - St. Petersfield Digital, Creative and Tech Hub
 - Ashton Moss Advanced Manufacturing Park
- 2.3 The latter two of which form the two ends of the Ashton Innovation Corridor (see map at **Appendix 3**). The scale and location of AMDZ, positioned between the digital hubs of Manchester City Centre, and Leeds, and the advanced manufacturing hubs of Lancashire and South Yorkshire, make it a key opportunity to harness the digital, creative and tech sector and advanced materials strengths of Greater Manchester, to create an economic growth engine in the east of the City region.
- 2.4 The approved Future St Petersfield Masterplan (the Masterplan) (**Appendix 1**) and associated Development Prospectus includes a set of agreed development principles that would ensure a high quality development is delivered in the Masterplan area and enable the

right mix of uses to be delivered including commercial/office, residential, leisure and food and drink. The Development Prospectus has been used as a promotional tool in the Expressions of Interest exercise recently carried out by Tameside Council.

- 2.5 The St Petersfield masterplan comprises a vision for the area which would appeal to the city region's fast growing Digital, Creative and Tech Sector, utilising the boroughs newly installed dark fibre network. A total of nine development plots have been identified and the proposals for each development plot are connected by the improvements to the public realm and highways.
- 2.6 An extensive market appraisal, led by CBRE, has identified a need for a choice of high quality, healthy workspaces which offer a variety of floorplates, working environments and amenity space.
- 2.7 A branding strategy prepared alongside the masterplan proposals establishes a place identity that people of Ashton will recognise and related to. 'Weaving Ashton's rich history with new patterns of working' ensures that developers are aware from the beginning, the type of development St Petersfield will be which is an exemplar scheme that has sustainability, health & well-being and a new 'hybrid worker' at the core of the proposals. The development prospectus presents the opportunity of St Petersfield and the potential to be part of something special; a unique offer to attract developer interest to this area of Greater Manchester.
- 2.8 The nine development plots include proposals for new homes, commercial/office floorspace, a hotel, and ancillary food and beverage establishments. Along with an improved public realm, this quantum of delivery have the potential to create new jobs, business rates income and an increased GVA for the borough. However, further discussions that have taken place with interested developers has recognised that there could be opportunities to increase the number of new homes and reduce the amount of commercial space identified.
- 2.9 RIBA Stage Two designs carried out on a number of the plots and detail the type and quality of developments that could be accommodated in the area. The designs ensure that sustainability is embedded in the process of development from the start and opportunities to use modern construction methods and innovative design to deliver low/zero carbon development across the St Petersfield area will be explored as the design progresses.
- 2.10 By building on the success of Ashton Old Baths and by ensuring that development is sensitive to the Conservation Area it sits in, a new future for St Petersfield will provide a place for businesses to collaborate and grow, for people to live in a high quality home, to visit and spend time at their leisure in a much improved public realm that better connects St Petersfield to the core of Ashton.
- 2.11 The Masterplan is currently being used as an economic and planning tool to guide and enable the future development and enable more detailed design of the site, in accordance with existing and proposed planning policies.
- 2.12 The Expressions of Interest exercise carried out with the support of specialist agents identified tangible developer interest in the scheme. Face to face discussions were held with interested developers to further understand how they envisaged the approach to delivering a mixed use scheme for St Petersfield. This exercise reaffirms the view that the St Petersfield is optimally positioned to both provide jobs for local people, to attract specialist talent from around the region, to create a step change in the local housing offer, and to provide new amenities for the local community.
- 2.13 Historically, there have been some legacy matters which require resolution. On 26 March 2004, the Council entered into a development agreement with ASK Property Developments Limited. The development agreement related to the redevelopment of St. Petersfield in accordance with an agreed masterplan over a 10-year period.

- 2.14 As part of the legacy associated with the history of St Petersfield, the existing striking off of the existing management company in St Petersfield will create the platform to enable the Council to progress the delivery of the St Petersfield Masterplan.

3. ST PETERSFIELD LEGACY PROGRESS UPDATE

- 3.1 On 29 September 2021, Tameside Council Executive Cabinet approved the striking off of the St Petersfield Management Company and for the authority to enter into a new management agreement with St Petersfield tenants and to take control of the management of the estate going forward.
- 3.2 Funding was approved via a report to the Executive Cabinet on 28 April 2021. **Appendix 4** provides an update of the actual and proposed committed expenditure relating to the development.
- 3.3 In order to resolve the long standing legacy issues and to progress with the striking off of the Management Company, an agreement with Ask Developments is proposed in order to jointly settle historical outstanding invoices in the St Petersfield area. **Appendix 2** includes a breakdown of these costs.
- 3.4 As set out in **Appendix 4**, it is proposed that an allocation of £70,000 is to be utilised to resolve historical liabilities in the St Petersfield area and to enable progress of the St Petersfield Masterplan Delivery Strategy. The expenditure is to be financed via the reserve sum of £200,000 that was approved for the St Petersfield development in a report to the Executive Cabinet on 28 April 2021. A balance of £74,000 remains at 1 April 2022. The Evergreen grant sum of £127,000 is to be claimed by 31 March 2023 from GMCA.
- 3.5 Dialogue has taken place between the Council's Estates and Legal Team and existing tenants. In the main, these discussions have been positive and tenants have provisionally agreed to enter into the process of signing a new Deed of Variation. Once the new DOVs have been signed, the Council will begin to collect the service charge from the tenants which will be utilised for the maintenance and upkeep of the public realm and common areas in the St Petersfield area. Details of these costings and portioned responsibility for costings are included in Executive Cabinet Report dated 29 September 2021 [Item 12](#). These costings will require reviewing since this report.

4. FUTURE ST PETERSFIELD DELIVERY STRATEGY

- 4.1 This section briefly outlines the work that has been undertaken for the St. Petersfield regeneration opportunity including the design and development work, viability and delivery programme assessment and the market engagement analysis which has all helped to inform the approach which Tameside Council can now consider to take the St. Petersfield opportunity to the market to select a development partner. The approved masterplan which outlines the vision and design principles are included in **Appendix 1**.

Developer Days

- 4.2 A series of developer days were held throughout November and December 2022 in order to meet with those developers who have formally expressed an interest in being involved in the delivery of the St Petersfield opportunity and to provide additional information on how they would approach the delivery. A number of experienced and well known developers were included in these discussions and have a track record of delivering similar schemes.
- 4.3 Those organisations that attended the developer days have an impressive track record in delivering complex urban regeneration projects which are similar in scale to St. Petersfield. They all demonstrate a good understanding of the masterplan and the opportunities and

challenges which the project presents.

- 4.4 Those organisations also see St. Petersfield as a medium to long term partnering opportunity with the Council that requires collaborative working and a flexible approach to delivery. They agreed that they were attracted by the fact that the sites are all in Council ownership and are cleared, with good frontage onto the road network and are serviced, presenting a package of sites which are ready for development, in response to market demand.
- 4.5 The organisations confirmed that they would express an interest in the St. Petersfield opportunity when it comes to the market and had a preference for a streamlined developer selection process over a 3 month period via a Framework. This is opposed to a lengthier procurement route which could involve a competitive dialogue process.
- 4.6 Three alternative delivery approaches have been considered for the St. Petersfield regeneration opportunity by the Council.

Option 1: Direct development by the Council

- 4.7 This approach would require the Council to take on a significant level of delivery responsibility and risk which would require considerable staff resources, expertise and finance over the duration of the project and a 10-year commitment.
- 4.8 This option was ruled out at an early stage prior to the market testing exercise as a 'direct development' approach would not meet the project objectives and requirements.

Option 2 Land sale to a developer or developers

- 4.9 This would involve the Council selling off the individual plots (there are nine in total) or the entire portfolio, to one or more developers which would provide a land receipt, the size of which would depend upon when the sites were taken to the market for disposal.
- 4.10 It is considered that this approach would not realise the full regeneration potential of the St. Petersfield area which can only be realized through a comprehensive place-based approach to regeneration and investment which would see the area transformed through phased development over a 10-year period. This option was ruled out prior to the market testing exercise as it would not meet the project objectives and requirements.

Option 3 Procurement of a private sector partner

- 4.11 This would be undertaken in accordance with the Public Contracts Regulations (2015), through a competitive tendering process by either:

Option 3.1 - A prescribed developer selection process such as competitive dialogue, or,
Option 3.2 - A procurement framework such as Pagabo, STaR, or alternative such as via the Homes England Dynamic Purchasing System (DPS).

Option 3.1 - A developer selection process such as competitive dialogue

- 4.12 This would involve a fully compliant procurement exercise to appoint a developer partner in accordance with the Public Contracts Regulations (2015) through a competitive tendering process and is a tried and tested route which can take between 6 and 9 months to complete (or longer), depending on whether a 2 or 3 stage selection process is required.
- 4.13 These processes are usually used for complex regeneration projects where the scope and key outcomes are not clearly defined at the outset and the selection exercise therefore helps both the contracting authority and the bidders shape and refine their approach to the project through discussions at a series of meetings and submissions which are evaluated.
- 4.14 These processes can be time intensive for both the contracting authority and potential delivery partners to participate in and should only be used where they add value to the selection process for all parties.

Option 3.2 - A procurement framework such as Pagabo, Star or via Homes England's DPS

- 4.15 Using a public sector procurement framework such as Pagabo, Star, or via the Homes England DPS provides public sector organisations across the UK with OJEU compliant framework agreements which have flexibility and choice in the commissioning process.
- 4.16 While the Homes England DPS has more of a focus on housing rather than mixed use and is therefore not a preferred route for St. Petersfield, the Pagabo and Star frameworks are more flexible in this regard.
- 4.17 The Pagabo procurement framework is however the most advanced and has a major works framework for large scale construction projects and a range of developer-led frameworks with 'lots' covering three contract structures namely:
- a. property development via joint venture and special purpose vehicle;
 - b. long income lease and lease back, and
 - c. property development single site or multiple site programmes under a development agreement which are divided into lot size according to contract value.
- 4.18 The Pagabo developer led framework under a development agreement is probably the most suitable framework for consideration at St. Petersfield. This framework includes all of those developers who have expressed an interest in being involved further.
- 4.19 A competitive selection process using the Pagabo Framework would require a 2 - 3 month period to complete. All the documentation would be prepared prior to the procurement process starting and there are templates available which could be easily adapted to ensure the exercise is fit for St. Petersfield. It would also be a competition that would be confined to the suppliers who are currently on the Framework.

5. RISK MANAGEMENT

- 5.1 Table 1 provides a summary of the performance of the various approaches against the project objectives, highlighting the key risks and overall rating together with the strategy for mitigating risk (where possible) and the revised rating. The analysis shows that the Pagabo framework delivery option outperforms the others and is the preferred approach.

Table 1. Delivery Approaches: Summary of Performance against Objectives

Option	Broad Approaches to Delivery	Key Risks	Overall Rating	Mitigation Strategy	Revised Rating
1	Direct Development by the Council	High Risk for the Council in terms of committing skills and resource and taking delivery risk on the project.		It was agreed by the Study team that this option would not be considered further.	
2	A Land Sale to Developers	High Risk for the Council as they would lose control over the regeneration opportunity and the sites could remain undeveloped.		It was also agreed by the Study team that this option would not be considered further.	
3.1	Procurement	St. Petersfield is a		Even if the timescales	

	of a private sector developer in accordance with the Public Contracts Regulations (2015), through a competitive tendering process such as competitive dialogue	straightforward procurement exercise which does not require a lengthy selection process of between 6 to 9 months or more.		could be a minimum of 6 months there is no market appetite, and the response, when launched would be poor.	
3.2	A Procurement Framework such as Pagabo, Star or via Homes England's DPS	Shorter and more streamlined processes (of less than 3 months) than under 3.1 but Star and the DPS less appropriate than Pagabo.		The Pagabo framework is the most advanced and includes developers who have attended the development days and is their preferred selection route.	
Legacy	Agree to jointly settle historical unpaid outstanding invoices with Ask Development	If an agreement is not put in place, Council are still liable for unpaid invoices.		Council to allocate sum of monies to settle outstanding invoices as part of a commercial deal with Ask Developments.	
Legacy	Striking off of Management Company	A delay could inhibit progress on the delivery strategy.		Tenants have provisionally agreed to the signing of a new Deed of Variation. Ask Developments required to sign new Deed of Variations	

6. CONCLUSION AND NEXT STEPS

- 6.1 The Council remains committed to bring forward the Future St Petersfield masterplan development opportunity as an exemplar mixed use town centre location in Greater Manchester.
- 6.2 The Ashton Mayoral Development Zone will play a key role in the delivery of this opportunity in St Petersfield, and its makeup will reflect the importance of the zones potential for the regeneration and economic growth of the city region. There will be a requirement for a board to be set up that will carry out an important oversight role, providing guidance and facilitating co-ordination and co-operation between the different project elements.
- 6.3 The soft market testing exercise has demonstrated that there is interest from the market and from potential developers to deliver the scheme in partnership with Tameside Council.
- 6.4 As summarised in Table 1, a framework such as the Pagabo framework will enable the

streamlined and efficient process of securing a developer partner on board to deliver the St Petersfield Masterplan.

- 6.5 In respect of legacy matters, the priority for the Council is to enable to striking off of the St Petersfield Management Company which will allow progress on delivering regeneration in the area.

7. RECOMMENDATIONS

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