

Report to:	EXECUTIVE CABINET
Date:	27 March 2024
Executive Member:	Councillor Jacqueline North, First Deputy (Finance, Resources & Transformation)
Reporting Officer:	Julian Jackson, Director of Place
Subject:	HATTERSLEY ANNUAL UPDATE APRIL 2023 TO MARCH 2024
Report Summary:	The report provides an update on the Hattersley Regeneration Programme for the period 2023/2024
Recommendations:	<p>The Executive Cabinet be recommended to:</p> <ul style="list-style-type: none"> (i) Note the work undertaken in 2023/2024 as part of the Hattersley Regeneration Programme and the proposed next steps. (ii) Approve the payments to Onward Homes, Homes England and the Council, to reimburse expenditure as set out in table 5 (section 4) with the sum of up to £0.041m to finance public realm schemes and a sum of up to £0.029m to finance collaboration agreement expenditure. The expenditure is to be financed via the balance held by the Council for the Hattersley Land Board, the total of which is included in table 2 and was £4.364m as at 1 April 2023. (iii) Approve the reimbursement of costs incurred, against the Collaboration Agreement funds, by the Council, Onward Homes (for the Work and Skills Coach) and Homes England during 23/24 of up to £0.062m as detailed in table 4 (section 4). The expenditure is to be financed via the balance held by the Council for the Hattersley Land Board.
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. The Hattersley Regeneration Programme is delivering against these aims in the areas of job creation, modern infrastructure and a sustainable environment.
Policy Implications:	The Hattersley Regeneration Programme supports the policy aims of the Council's Inclusive Growth Strategy 2021, Tameside Climate Change & Environment Strategy, and the draft Greater Manchester Places for Everyone joint development strategy.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The report provides an update of the regeneration programme in Hattersley for the current financial year.</p> <p>The programme is supported via funding held by the Council, as accountable body, for the Land Board.</p> <p>The table below shows the balance as at 1 April 2023 and the movement to the forecast position at 31 March 2024, split between the balance allocated to public realm related works and that</p>

allocated to expenditure relating to the collaboration agreement. It also shows the commitments beyond 31 March 2024 against each fund.

	Public Realm £m	Collab- oration £m	Total £m
Balance at 1 April 2023	3.638	0.726	4.364
23/24 Forecast Expenditure	0.109	0.263	0.372
23/24 Forecast Income	(0.073)	(0.170)	(0.243)
Forecast Balance at 31 March 2024	3.602	0.633	4.235
Future Commitments	0.600	0.283	0.883
Forecast Balance After Future Commitments	3.002	0.350	3.352

The table below breaks down the forecast expenditure, shown in the table above. The full breakdown of expenditure by workstream is shown in **Section 4, Tables 3 and 4**.

	£m
Onward Homes – Expenditure incurred January – June 2023, already reimbursed	0.198
Total Expenditure Already Reimbursed	0.198
Onward Homes – Expenditure incurred July – December 2023	0.070
Onward Homes – Work & Skills Coach 23/24	0.037
Council forecast expenditure to 31 March 2024	0.017
Homes England forecast expenditure to 31 March 2024	0.008
Total Expenditure to be Reimbursed	0.132

Expenditure incurred by Onward Homes between 1 January 2024 – 31 March 2024 will be reimbursed in September 2024 following the submission of a claim, in line with the pre-approved schedule.

Officers have carried out due diligence checks for all invoices submitted as part of these claims for reimbursement, including to ensure eligibility under the agreements.

As the reimbursement payments in this decision are funded from monies held on the balance sheet for the Land Board, there is no adverse impact to the General Fund arising from the decision.

The reimbursements requested are within the available balances held on behalf of the Land Board and there is no revenue or capital budget associated with this decision that is funded from the General Fund.

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

The report contains an update on progress.

The report seeks to approve payments under the Public Realm Collaboration Agreement, which approval will need to be subject to the completion of a Deed of Variation to the Public Realm Collaboration Agreement which will vary the amount held by the Council under that agreement and the mechanism for making such payments.

Risk Management:

The approach to risk management is set out in Section 5

Access to Information: Not Confidential

Background Information: The background papers relating to this report can be inspected by contacting the Ben Gudger and Carol Bryant



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1. INTRODUCTION

- 1.1 The Hattersley regeneration started in 2006, when housing stock transferred from Manchester City Council to Peak Valley Housing Association. At the time, the population had declined to 6,600 from 15,000 and the estate was suffering from a serious lack of investment. There have been considerable developments in the area since then, including:
- Onward Homes (formally Peak Valley H.A.) has demolished 900 properties, refurbished 1475 and built 155 new homes.
 - Barratts have built a total of 692 homes through the development agreement which completed in the summer of 2023. This was in partnership with the Council, Onward Homes and Homes England. Barratts have now completed all development and are no longer on site in Hattersley.
 - Hattersley Road West was re-aligned to pass adjacent to the train station and the car park improved. This and the new-build properties led to an increase in rail passenger numbers (notwithstanding a drop in figures caused by the COVID-19 pandemic) and are now back to 63% of pre COVID levels.
- 1.2 In 2006, the Hattersley public sector partners entered into a Collaboration Agreement, and subsequently a Development Agreement with BASE Hattersley LLP (Barratt Homes) in March 2007, for private sector residential development. The public sector partners are now Tameside Metropolitan Borough Council, Onward and Homes England, following name changes since the original agreements were signed.
- 1.3 The Collaboration Agreement governs the financial and land input required to facilitate the Hattersley regeneration programme and is overseen by the Collaboration Board (known colloquially as the Hattersley Land Board). The Development Agreement provided Barratts with a licence to build on the land and sell the properties and sets out provisions for funds for public realm works to be paid on a phased basis.
- 1.4 The relationship of Homes England with Hattersley dates back nearly 20 years, in which time they have worked closely with key stakeholders and development partners to provide funding and land. The Council's collaborative working approach with Homes England and Onward Homes, has allowed Homes England to provide support and expertise over a sustained period, to ensure that new homes are supported by high-quality infrastructure and essential services for local people.
- 1.5 This report provides an update on delivery progress in 2023/24.

2. Progress in 2023/2024

Public Realm

- 2.1 Through the Development Agreement, Barratt Homes have contributed £4,000,000 into a fund that will enable Onward Homes and the Council to provide public realm infrastructure, such as playgrounds, improvements to natural spaces and other schemes such as improvements to gateways and parking. A masterplan was prepared by Planit-ie that went out to public consultation in the summer of 2018, to inform residents, gather feedback and steer priorities for the funds. The consultation highlighted that formal and informal recreation were high on the agenda for residents.
- 2.2 In 2022/2023 two playgrounds were completed; Fields Farm Road and Underwood Road and planning permission was granted for an Adventure Trail and Trim Trail at Porlock Ave. In 2023/2024 the Adventure Trail and Trim Trail at Porlock Ave were both completed. Both of these play areas have a rural feel, as they lead down to Waterside Clough.

- 2.3 The two largest public realms schemes are the creation of a Multi-Use Games Area, together with all age play areas and paths, and the opening up of Waterside Clough, which is in the centre of the Hattersley estate. To drive forward these two schemes Onward, have procured project management services from LK Group.
- 2.4 The Multi-Use Games Area is to be located off Ashworth Lane opposite the Tesco petrol station and at the rear of the proposed District Centre phase 2. Planit-ie Ltd have been procured as the design lead for the project and the project is currently at RIBA Stage two.
- 2.5 Waterside Clough itself is recognised as an untapped natural resource within the centre of the estate. Cass Architects have been appointed to lead the initial design ideas. The aim of the project is to provide access into the Clough through selected clearance, improved paths, boardwalks and additional planting to support the environment. A range of surveys have now been carried out and the scheme has been developed to RIBA stage 2.
- 2.6 A Deed of Variation was required to the Public Realm Collaboration Agreement, to reconcile the public realm fund total and to update claim/payment terms, which has now been agreed and is scheduled for completion in March 2024, together with three Project Schedules one each for the Project Manager, the MUGA and Waterside Clough schemes.

Hattersley Station

- 2.7 The newly refurbished Ticket Office was opened in February 2023 and provides a much improved passenger experience and facility.
- 2.8 The issue of access to the station platform still remains as the main concern for passengers, as the station does not currently provide access for all. A bid was submitted by Transport for Greater Manchester (TfGM) to the Department of Transport (DoT) for improved access but to date no decision has been made on the success of the bid. As at 25 January 2024, TfGM are still waiting for the outcome of the CP7 funding bid to progress prioritised schemes that sit within the Access for All Programme.
- 2.9 On 1 November 2023, Tameside's Planning Speakers Panel approved resolution to grant outline planning permission for the Godley Green Garden village development. The development will provide much needed to new homes and a range of infrastructure improvements that will be accessible to residents of Hattersley. The scheme will also include a bridge link to the Hattersley estate that will facilitate improved access to Hattersley Station.

Housing Development

- 2.10 The Hattersley Central Development is a flagship scheme for Onward and Tameside. It has been made possible by accessing funding from Homes England's Affordable Homes Programme £11,358,000 and also GMCA Brownfield Homes Fund £3,220,000. The scheme includes 91 homes as part of an extra care Scheme, 55 homes for affordable rent and 15 homes for shared ownership.
- 2.11 Progress in 2023/2024:
- Site 1, 15 houses for shared ownership were completed and occupied.
 - Site 2 - 46 houses are progressing well with handover being on a phased basis from mid-2024 until early 2025.
 - Site 3 - 9 houses for affordable rent - all completed and occupied since September 2023.
 - Site 4 - 91 extra care apartments - steel frame, block walls and concrete floors all completed and the building topping out by March 2024. Fit out will then commence, along with highway and landscaping works – practical completion scheduled for end of 2024/2025.
- 2.12 The Harehill Development, which is located between Hare Hill Road and Porlock Ave, will deliver 27 homes for Affordable Rent. Progress has been made on this development;

however, there have been issues and delays linked the rendering of the properties. These issues are being resolved and practical completion will be by the end of March 2024.

- 2.13 The private sector partner Barratts Homes have completed 692 homes for private sale in Hattersley. The final developments were completed in June 2023 and Barratt have now fulfilled their commitments under the Development Agreement. At the height of the development, the Hattersley schemes have performed as one of the top selling Barratts sites in the country.
- 2.14 The Development Agreement between Barratt, TMBC, Onward and Homes England also included an overage clause. During 2023, an external audit was carried out Savills, who were procured via a Homes England framework to consider if any overage was due. This report concluded that a sum of £163,766 was payable that has now been received from Barratt. These funds will go back into the Collaboration Agreement fund, for which TMBC are the accountable body.

RSK Science Park

- 2.15 The RSK Group have now completed the refurbishment of the former Centrica building off Stockport Road. MWH Treatment, part of the RSK Group, were relocated to this building previously. This year Envirolab have also been able to move into the refurbished building following their conversion to provide laboratory facilities. This move will allow for further diversification of businesses as part of the RSK Science Park offer.
- 2.16 The investment by RSK has been significant in Hattersley. To date, their total investment is circa £4m, including the purchase of the former Centrica building and refurbishment, to provide accommodation for MWH Treat and Envirolab, fit out of the laboratory space to UKAS accredited standards, along with the purchase of land and planning applications for future developments.

District Centre Phase 2

- 2.17 Maple Grove as the chosen developer is working with Onward to bring forward Phase 2 of the District Centre on the remaining site that is within the Collaboration Agreement. This scheme is a major milestone in the overall regeneration of Hattersley and the final phase of the district centre. The current scheme is for an Aldi Discount Food Store, a Costa Drive through and a Parade of Trade Counter Units. This development will also facilitate an access spur to the remaining developable plot outside the District Centre Phases 2 boundary.
- 2.18 The Development Agreement for the land disposal and development by Maple Grove for the final phase of the District Centre has now been signed by Onward and Maple Grove. This allowed the submission of the planning application and sets out the terms of the development, with a start on site anticipated for Summer 2024.
- 2.19 The Planning Application was submitted by Maple Grove in December 2023 and is currently in the planning process. A start on site is expected to be in the summer of 2024 with completion at the end of 2025.

Work and Skills Coach

- 2.20 The support offered by the Hattersley Work and Skills coach has continued over the last year and is developing well since the end of the pandemic. The W&SC has made a significant number of connections with partner organisations, such as Ingeus and JCP a summary of their achievements since April 2023 is as follows:
- 11 Individuals supported into employment
 - 43 into training
 - 21 into volunteering and
 - 251 supported with first steps into employment

- 2.17 The funding for this post is provided via the Collaboration Agreement and the current contract comes to end 31 October 2024. Onward Homes currently have employer responsibilities for this post and options for the continuation of the W&SC will be discussed by the partners and presented to the Land Board over the coming months.

3. PRIORITIES FOR 2024/2025

Public Realm

- 3.1 The delivery of the two largest public realm schemes, the MUGA, play spaces and multi-user paths and the opening up of Waterside Clough. These two schemes to continue to be supported by the appointed Project Manager.
- 3.2 Both of these projects are being designed from concept, through to physical completion in 2024/2025. Public engagement will be a key feature of activity as the design work progresses, planning applications submitted and the construction works commence.
- 3.3 As these projects progress, the costs for these schemes will become better understood and known. At this stage, any remaining funds in the Agreement will be considered for other currently 'on hold' smaller public realm schemes.
- 3.4 Such schemes include improvements to the gateway locations into Hattersley, as these are key to attracting continued investment into the area and also improvements to parking provision around Hattersley, which remains a key priority for residents.

Housing Development

- 3.5 The construction work for the Hattersley Central Development will continue and as the houses are completed they will be handed over to Onward from the contractor, and let or sold to individual families. The extra care scheme will need to be fully operational prior to any occupation.
- 3.6 The Hare Hill 27 unit housing scheme (2 and 3 bed homes for social rent) will be handed over as soon as the rendering problems are resolved and Onward accept the properties. This is now expected to be by the end of March 2024. This scheme includes the upgrade of a section of bridleway and a new pedestrian access towards the primary school, Discovery Academy by the end of March 2024.

District Centre Phase 2

- 3.7 The planning application has been submitted and a planning decision is expected in the spring of 2024. Assuming this is approved the brief timescale for the construction is as follows:-
- 3.8 Key milestones:
- An assumed planning decision April 2024
 - Pre-commencement planning conditions discharged June 2024
 - Tender for the construction June 2024
 - Award building contract August 2024
 - Construction period August 2024 to November 2025
 - Handover end of 2025

4. FUNDING

- 4.1 Table 1 provides summary details of the balance of funding held by the Council, as accountable body, at 31 March 2023. The balance is allocated between the funding that supports public realm schemes and the collaboration agreement.

Table 1

Fund	Balance at 1 April 2022 £m	22/23 Actual Expenditure £m	22/23 Interest Earned £m	Balance at 1 April 2023 £m
Public Realm	3.745	0.214	(0.107)	3.638
Collaboration Agreement	0.963	0.265	(0.028)	0.726
Total	4.708	0.479	(0.135)	4.364

- 4.2 Table 2 provides summary details of the forecast balance of funding that will be held by the Council as accountable body at 31 March 2024, along with future commitments from April 2024.

Table 2

Fund	Balance at 1 April 2023 £m	23/24 Committed / Actuals £m	23/24 Forecast Income £m	Forecast Balance at 31 March 2024 £m	Future Commitments £m	Forecast Uncommitted Balance £m
Public Realm	3.638	0.109	(0.073)	3.602	0.600	3.002
Collaboration Agreement	0.726	0.263	(0.170)	0.633	0.283	0.350
Total	4.364	0.372	(0.243)	4.235	0.883	3.352

- 4.3 Table 3 shows details of actual and proposed expenditure to be financed via the balance held for Public Realm works, alongside forecast interest income.

Table 3

Public Realm	£m
Balance At 1 April 2023	3.638
Expenditure Commitments / Actuals	
Onward Claim for Expenditure 1 January 2023 - 30 June 2023 (payment approved September 2023):	
- Playgrounds	0.068
Onward Claim for Expenditure 1 July 2023 - 31 December 2023 (payment due March 2024):	
- Waterside Clough: Clearance/Pathways	0.038
- Multi Use Games Area (MUGA)	0.003
Sub Total: Expenditure Commitments / Actuals	0.109
Income Due/Actuals	
Interest Payment April - September 23	(0.073)
Sub Total: Income Due/Actuals	(0.073)
Estimated Remaining Balance at 31 March 2024	3.602
Future Commitments	
Onward : Long Term Stewardship	0.600
Estimated Remaining Balance including Future Commitments	3.002

- 4.4 The sum of £0.600m shown as a future commitment in Table 3 is for the long-term stewardship of the playgrounds, MUGA and Waterside Clough. Although no expenditure has yet been incurred, this amount has been earmarked for this purpose and as such is shown as committed expenditure against the public realm balance.
- 4.5 Table 4 shows details of actual and proposed expenditure to be financed via the Collaboration Agreement balance, alongside forecast interest income.

Table 4

Collaboration Agreement	£m
Balance At 1 April 2023	0.726
Expenditure Commitments / Actuals	
Onward Claim for Expenditure 1 January 2023 - 30 June 2023 (payment approved September 2023):	
- VAT Support - specialist consultancy advice in respect of VAT	0.002
- District Centre	0.128
Onward Claim for Expenditure 1 July 2023 - 31 December 2023 (payment due March 2024):	
- District Centre	0.029
Hattersley Railway Station - Contribution	0.002
Onward - Work and Skills Coach – 1 April 2023 to 31 March 2024	0.037
Former residents - Final Compulsory Purchase Order (CPO) Claim	0.008
Homes England - Overage Audit Fee - Development Agreement BASE (Barratt's)	0.008
District Centre Site - Access Spur	0.034
Infilling of the Stockport Road Underpass - Design of scheme and management of tender process	0.015
Sub Total: Expenditure Commitments / Actuals	0.263
Income Due/Actuals	
Interest Payment April - September 23	(0.006)
Overage Payment received from Barratts	(0.164)
Sub Total: Income Due/Actuals	(0.170)
Estimated Remaining Balance at 31 March 2024	0.633
Future Commitments	
Onward - Work and Skills Coach – 1 April 2024 to 31 October 2024	0.018
Stockport Road Underpass - estimated cost for the infilling of the underpass, subject to change	0.265
Sub Total: Future Commitments	0.283
Estimated Remaining Balance including Future Commitments	0.350

- 4.6 The sums of £0.128m and £0.029m relate to expenditure by Onward, primarily for consultancy fees, for the progression of the development of the District Centre Phase 2 site. This is the last site to be developed that is included within the Collaboration Agreement and as such, costs associated with bringing this site forward are able to be claimed from the Collaboration Agreement monies.
- 4.7 The sum of £0.002m for Hattersley Railway Station is the final confirmed contribution towards the delivery of the Hattersley Ticket Office.
- 4.8 The sum of £0.037m for the Work and Skills Coach covers the period 1 April 2023 to 31 March 2024. Hattersley Land Board agreed to fund this cost and Onward have agreed to undertake the employer responsibilities. The remainder of the costs for this role from 1 April 2024 to 30 October 2024 are shown under 'Future Commitments'.
- 4.9 The sum of £0.008m relates to the Overage Audit work that is required to be undertaken on the Barratts Homes schemes, as required by the Development Agreement. Homes England as the lead for this work used their framework to procure and appoint Savills as an independent body to carry out this work.
- 4.10 The sum of £0.034m relates to the building of a short spur road into the remaining land that is not a part of the current planning application for the Phase 2 of the District Centre. This planning application includes the majority of the remaining land in the Collaboration Agreement Masterplan. However, there is land remaining that could be developed in the

future. To future proof this land the developer has agreed to build a short spur road into that site, while on site, to allow future access to this land.

- 4.11 The sum of £0.015m relates to design of the scheme to fill in the underpass under Stockport Road and the management of the subsequent tender process. This scheme was selected to be progressed for various reasons with the main ones being: it is an eyesore, regularly has rubbish tipped, smells and encourages anti-social behaviour. Future funding for this project is unlikely as it will not fit into any other business cases or funding streams. The estimated cost of the works is shown under 'Future Commitments' at £0.265m.
- 4.12 The claim submitted by Onward due for payment in March 2024, and detailed in Tables 3 and 4, totals £0.070 as summarised in Table 5. All invoices included in the claim for reimbursement have undergone a process of due diligence of officers and all are allowable under the Collaboration and Public Realm agreements. Approval is sought to pay this claim.

Table 5

	Claim Amount £m
Collaboration Funds	0.029
Public Realm Funds	0.041
Total Claim	0.070

5. RISK

- 5.1 There are a number of high-level risks associated with the Hattersley Regeneration Programme:

Risk	Detail	RAG Rating	Mitigation	RAG Rating
Financial	There is insufficient funding available to deliver the full scope of public realm works set out in previous master planning.	Red	Further work has now been undertaken to identify risks, constraints and costs associated with the priority public realm projects. Project Manager appointed to manage programme, budget and risk	Yellow
Programme	Lack of resource capacity to undertake work streams in line with expectations.	Yellow	Resources have been committed across the partner organisations to drive work streams and multi-disciplinary teams appointed to drive individual projects.	Green
Delivery	The physical regeneration works do not address underlying deprivation and worklessness.	Yellow	The Hattersley Works and Skills Coach will continue to offer targeted employment support.	Green
Viability	Challenging market conditions and inflationary pressures linked to construction impact the delivery of housing and district centre developments.	Red	Ongoing assessment of viability, deliverability and issues/risks being undertaken with delivery partners. Ongoing engagement with GMCA/HE regarding external funding opportunities.	Yellow

6. RECOMMENDATIONS

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