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| Classification | Item No. |
| Open | |

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| Meeting: | Cabinet |
| Meeting date: | 24 March 2021 |
| Title of report: | Radcliffe Strategic Regeneration Framework – Acquisition of Assets |
| Report by: | Cllr. Eamonn O’Brien (Leader) – Cabinet Member for Finance and Growth |
| Decision Type: | Key Decision |
| Ward(s) to which report relates | All Radcliffe Wards |

EXECUTIVE SUMMARY

In September 2020, Cabinet approved the Radcliffe Strategic Regeneration Framework (SRF) to guide the future regeneration of the town. In addition, Cabinet also agreed to the provision of a dedicated Programme Management Office to have the role of developing business cases and creating investment fund propositions. The SRF is also a key element of the Council’s Capital Strategy and funding has been built into the 2021/2 capital programme.

One of the SRF’s key proposals for the regeneration of Radcliffe is the creation of a new Civic Hub in the heart of the town centre and, specifically, on the land and premises currently under the ownership of London and Associated (L&A).

The Civic Hub project is a major regeneration priority for the Council and is

a key priority project given the potential for the site to have a fundamental role in driving economic growth.

The delivery of the Civic Hub is likely to require external funding and the Government's Levelling Up Fund has been identified as a key opportunity to help support the development. Details of the Leveling Up fund were announced following the chancellor's budget on 3 March and Bury has been placed in the highest priority category for funding.

In order to access these funds, the Council will be required to submit a comprehensive and robust bid that is able to demonstrate a credible development proposal which is supported by robust design and business case. Critically, the Council will need to show that it has the ability to deliver the development proposals within specific timeframes and, this will include demonstrating that it has unrestrictive control over land assets. As such, it is beneficial that the Council secures developable interests in the key sites that at the earliest opportunity.

Initial negotiations have taken place with the current owners of 3 key land and buildings sites) to acquire them so that the full benefits of the regeneration can be delivered. Cabinet is asked to approve the acquisition of these sites, subject to further financial and legal due diligence on the basis of the recommendations and advice set out in a joint report by Deloitte and CBRE. Draft Heads of Terms have been drawn up and are included in Part B of this report.

It is recommended that the final agreed acquisition of the 3 sites will be delegated to the Chief Executive after consultation with the Council's Section 151 and Monitoring Officers and the Leader of the Council, subject to the satisfactory completion of the required financial and legal due diligence.

The content of the report of the recommendations are being considered by the Cabinet Committee for Radcliffe SRF at their meeting of 18 March 2021 and their recommendations will be reported to Cabinet. This report is set out on the basis that the Cabinet Committee is supportive of the proposals.

RECOMMENDATION(S)

That:

- The progress on the creation of a new public service hub building and wider regeneration efforts in Radcliffe Town Centre be noted.
- Approval be given for the acquisition of land and premises that are critical to the delivery of key SRF projects as set out in Part B of this report be

approved, subject to financial and legal due diligence to complete the transaction.

- Finalisation of the acquisitions, as set out in the Part B report, be delegated to the Chief Executive after consultation with the Council's Section 151 and Monitoring Officers and the Leader of the Council and subject to the satisfactory completion of the financial and legal due diligence.

KEY CONSIDERATIONS

1. Background

- 1.1 The continued regeneration of Radcliffe remains a key priority for the Council and, to support this, the Council appointed Deloitte LLP in February 2020 to prepare a Strategic Regeneration Framework (SRF) for Radcliffe with the aim of setting out a comprehensive plan to direct the future growth and development of the town in a coherent and joined-up manner.
- 1.2 In June 2020, Cabinet approved a draft of the SRF for consultation purposes. This was followed by a six-week period of public consultation between 22 June and 3 August 2020 to seek the views and inputs from the wider public, key stakeholders and partners.
- 1.3 The draft SRF's proposals were broadly well supported and thorough consideration was given to all comments received with some revisions being made in line with the consultee's areas of concerns. In September 2020, Cabinet approved a final version of the SRF as the Council's policy for the future regeneration of Radcliffe and as a material consideration in the determination of planning applications.
- 1.4 The final SRF proposes six priority projects that are primarily geared towards the regeneration of the town centre area, including:
 - The introduction of a Civic Hub in the centre of the town;
 - The revitalisation of Market Chambers;
 - New leisure facilities;
 - A transportation and parking strategy;
 - A whole town housing programme; and
 - A new high school for Radcliffe.
- 1.5 A key premise of the SRF is that a revitalised core will act as a catalyst for the regeneration of the wider town and, fundamental to this, is the proposal for a new Civic Hub in the core of the town centre. The

development of a new Civic Hub has been identified as one of the SRF's priority projects which would bring together a mix of civic functions in an accessible and sustainable location in the core of the town centre.

- 1.6 The Civic Hub project is a major regeneration priority project given the potential for the site to have a fundamental role in driving economic growth. Consultation feedback on the SRF showed that the proposals for a new Civic Hub in the heart of the town centre were particularly popular, with over 90% of consultees in favour of the project.
- 1.7 The challenge and the aspiration for the Civic Hub development is to deliver a mixed use scheme that is distinctive and one that delivers the right products of the right quality within the current market conditions, with the potential to incorporate council services, leisure facilities, high quality retail, food and beverage outlets, community events space and private office space.
- 1.8 Doing nothing and leaving the town to market forces will not change the existing patterns of demand and won't provide the attractions to the centre that is needed to drive footfall and the growth. As set out in the SRF, intervention in the market is required and a development of the scale and nature proposed has the potential to be truly transformational for the town and will act as a catalyst for further development and investment in the town centre and wider Borough.
- 1.9 The SRF is clear in specifying that the preferred location for a new Civic Hub should be in the very heart of Radcliffe town centre and, specifically, identifies the site of the existing 1960's precinct owned by London & Associates(L&A). This location is strategically linked to the public transportation network, complements the Radcliffe Market proposals and will significantly improve the image and environment of the town centre core.
- 1.10 In addition to this, 2 other key sites have been identified and are included in the proposals.

2. Issues and Opportunities

Land Assembly and Funding

- 2.1 The implementation of the SRF is a key priority for the Council. A Programme Management Office (PMO) was established in September 2020 as the SRF's "engine room" to undertake the day-to-day tasks required for progressing the delivery of the SRF's proposals. Consultants Deloitte and CBRE have been appointed to provide advice and aid in the delivery of SRF projects and are members of the PMO.

- 2.2 The PMO is coordinating the progression of feasibility work on the Civic Hub in the core of the Town Centre and work is underway to inform the project development, scope for mix of end users and potential external funding streams that will be required to deliver the proposal.
- 2.3 A joint acquisition and best value report has been prepared by Deloitte and CBRE on behalf of the Council and this sets out the rationale and recommendations with regard to taking forward a land assembly strategy in Radcliffe Town Centre to support the delivery of a new Civic Hub and other potential regeneration projects in line with the approved SRF. This includes a suggested deal structure and base value for the acquisition of necessary land and property and risk mitigation and exit routes. The findings and the advice from the report supports the recommendations that are now being made both to the Cabinet Committee and Cabinet.
- 2.4 The Civic Hub project is one of the key projects in the SRF and, whilst the details of the project continue to be worked up, it could accommodate a range of services and facilities including:
- New Council offices and services, which would enable the disposal of Whitaker Street and other Council assets;
 - An active ground floor frontage, which would provide a commercial hub to help the vitality and vibrancy of the town centre;
 - Flexible community space; and
 - A development of real scale and quality which would help change perceptions of the town centre offer that will complement existing uses including the Market and a revamped Market Chambers building.
- 2.5 The SRF identifies leisure facilities as a key priority for Radcliffe and work is still underway on an option appraisal that will help identify the best location for these facilities. These will include both wet and dry side facilities.
- 2.6 In order to contribute to the funding of the SRF projects, the Council approved the creation of a Regeneration Investment Fund as part of its capital strategy for 2021/22 and a total of £6m was included in the Council's capital programme. Access to the fund is subject to schemes meeting specific criteria that was agreed when the strategy was approved in February 2021. The intention of the Strategic Investment Fund is to:
- 2.7 Provide a structured and disciplined approach to investment decisions which link decisions to outcomes and projects to a place-based framework and will form part of the management and monitoring arrangements.

- 2.8 Promote a culture of success by addressing measurable outcomes including returns and the importance of re-cycling thus maximising the value of every £ which is spent - this can be compared with grant where every £ is spent only once.
- 2.9 Facilitate third party funding (whether public or private) and advancement of the regeneration programme in the quickest possible time - equally by having the capability to act quickly at the start of the regeneration process a Fund can protect long term value which may only be attributable to longer term public investment.
- 2.10 Support a Council commitment to the long-term future of the Town Centres with the potential to deliver match funding to leverage other public sector programmes.
- 2.11 It is intended that, in this instance, the Strategic Investment Fund will be used to leverage investment into Radcliffe (as well as other areas of the Borough) from private sector partners and central government. As the fund is designed to support towns and communities with physical and social regeneration projects, the opportunity to bid for recently announced £600m Government 'Levelling Up' funding worth up to £20m per project is likely to be enhanced.
- 2.12 The Levelling Up Fund prospectus was released with the Budget on 3 March 2021. The full prospectus can be viewed at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/966138/Levelling_Up_prospectus.pdf.
- 2.13 The prospectus states that the Fund will invest in local infrastructure that has a visible impact on people and their communities. This includes a range of high value local investment priorities, including local transport schemes, urban regeneration projects and cultural assets. The Fund is jointly managed by HM Treasury, the Ministry of Housing, Communities and Local Government (MHCLG) and the Department for Transport.
- 2.14 The first round of the Fund will focus on three themes: smaller transport projects that make a genuine difference to local areas (e.g. public transport initiatives, bridge repairs etc.); town centre and high street regeneration (e.g. the acquisition and regeneration of brownfield sites and investments in community infrastructure); and support for maintaining and expanding the UK's world-leading portfolio of cultural and heritage assets (e.g. maintaining and regenerating heritage assets). In particular, in terms of regeneration and town centre investment, the prospectus states that this can be used to upgrade eyesore buildings and dated infrastructure, acquire and regenerate brownfield sites, invest in secure community infrastructure and crime reduction, and bring public services

and safe community spaces into town and city centres. Clearly, a bid to support the regeneration of Radcliffe would sit neatly with this particular theme.

- 2.15 The prospectus states that there is an expectation that Members of Parliament, as democratically-elected representatives of the area, back one bid that they see as a priority.
- 2.16 Monies awarded through the Levelling Up Fund would be secured following a competitive bidding process and, as with most funding sources, to have the best chance of securing these funds, the Council will need to demonstrate that it has the ability to deliver the projects.
- 2.17 In this sense, the Council would be required to submit a comprehensive and robust bid that is able to demonstrate a credible development proposal which is supported by robust design and a business case. Critically, therefore, the Council should secure the ability to build on the subject land and ensure it is free of legal constraints. Therefore, it is essential that the Council secure developable interests in the L&A land at the earliest opportunity.
- 2.18 Initial negotiations have taken place between the Council and L&A and there is a definite willingness from the current landowner to sell the land and property required for the Civic Hub development.
- 2.19 Draft Heads of Terms for a prospective deal for the acquisition of the L&A land and property assets have been drawn up as the basis for continued negotiations and, subject to the approval of the Cabinet on 24 March 2021, will form the basis for acquiring the asset.
- 2.20 The details of the draft Heads of Terms along with a Deloitte/CBRE report setting out the proposed land assembly details in Radcliffe Town Centre are commercially sensitive and, as such, both are included within Part B of this report.

Financial Considerations

- 2.21 The Council's Capital Strategy 2021/22 includes a £6m Strategic Investment Fund and a further £10m for the Radcliffe SRF. Further funding from the Council is anticipated in future years and is reflected in the future indicative capital programme, but will be subject to formal decision making at that time. The costs of the proposals can be met from within the funding available and there is funding available to support delivery. The extent of the delivery will however be subject to the outcome of the Council's bid for the 'Levelling Up' fund.
- 2.22 There is a risk that the 'Levelling Up' fund is not successful. In this event the Council would need to look at alternative sources of funding, may be

required to contribute more than is currently anticipated into the programme from its own resources or there may be a requirement to scale back the programme to meet the funding available. Careful monitoring throughout the programme will be undertaken to ensure that all known financial impacts are understood and mitigating actions taken where needed.

- 2.23 The Council is able to demonstrate that the proposals meet the requirements of the Strategic Investment Fund should this be a source of funding that is utilised. The advice and Best Value report from Deloitte and CBRE has been considered in order to evaluate the scheme against the criteria and also in considering the acquisition from a best value perspective.

3. Alternative Options Considered

- 3.1 The alternative option is to not pursue the acquisition of the L&AP land and other sites and to cease negotiations with the current landowners. However, the SRF has been adopted by the Council as the framework for the regeneration of Radcliffe and this option would not be in accordance with the approved Framework.
- 3.2 Doing nothing and leaving the town to market forces won't change the existing patterns of demand and won't drive the growth that is needed whereas intervention in the market will encourage local economic growth.

EQUALITY IMPACT AND CONSIDERATIONS:

24. *Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*
25. *The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good*

relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

ASSESSMENT OF RISK:

The following risks apply to the decision:

| Risk / opportunity | Mitigation |
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| The Council acquires the land and buildings and is unsuccessful in obtaining Levelling Up funding. | The Council has been categorised as Category 1 and the SRF provides a strong basis for securing a successful bid. Other sources of funding are likely to be available. |
| The cost to the Council increases and is not affordable. | Regular monitoring throughout the programme will be undertaken and any changes in the financial position will be updated and, where necessary, mitigating actions taken. These will include looking for alternative sources of funding and reviewing/moderating the programme. |

Consultation:

The Cabinet Committee for Radcliffe SRF has been consulted on these proposals.

LEGAL IMPLICATIONS:

This report gives approval to acquire subject to appropriate legal and financial due diligence. Those with delegations will have authority to finalise the acquisition but this is again subject to appropriate financial and legal advice which will be required throughout the process.

FINANCIAL IMPLICATIONS:

Provision has been made in the Council's Capital Programme to support the Radcliffe SRF albeit subject to external funding being secured for the wider

programme. Any proposals that come forward for approval will be subject to the appropriate final due diligence processes and also consideration in the context of the available funding and this applies to the proposals set out in the report. These will be considered prior to the completion of the acquisitions and as part of the delegated approval process.

The proposals contained in the report can be met from within the capital funding and will support the bid for Levelling Up funding. There is no guarantee that the bid will be successful, however the chances will be greatly enhanced through the ability to demonstrate ownership and control of key strategic assets.

In the event that the bid is not successful the Council would be seeking alternative opportunities for funding and may need to consider revised proposals for the use of the sites. A successful scheme will contribute significantly to the regeneration of Radcliffe and will lead to increased long-term income from business rates and council tax as reflected in the wider regeneration business case.

REPORT AUTHOR AND CONTACT DETAILS:

Paul Lakin – Director of Economic Regeneration and Capital Growth

Email: p.lakin@bury.gov.uk

Crispian Logue – Assistant Director (Strategy, Planning and Regulation)

Email: c.logue@bury.gov.uk

David Lynch – Assistant Director (Regeneration Delivery)

Email: d.lynch@bury.gov.uk

BACKGROUND INFORMATION:

The Radcliffe SRF and further information relating to it can be found on www.bury.gov.uk/radclifferegeneration.

Glossary

| Term | Meaning |
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