



Classification: Open	Decision Type: Key
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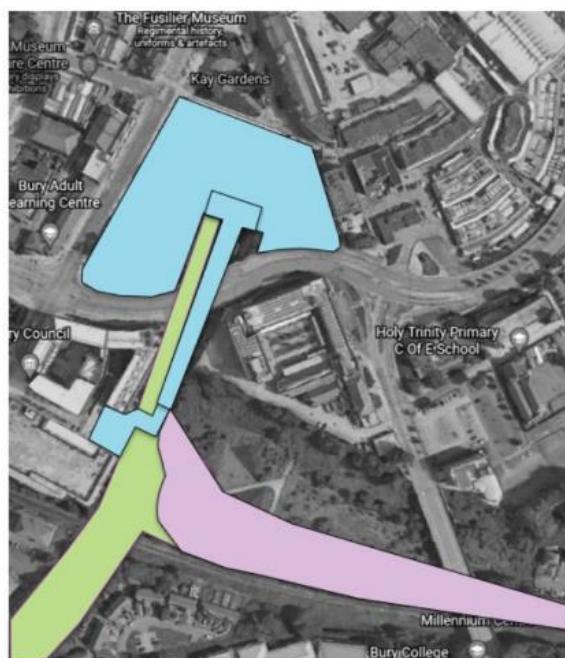
Report to:	Cabinet	Date: 15 March 2023
Subject:	Proposed Disposal of Pyramid Park	
Report of	Cabinet Member for Housing Services Cabinet Member for Strategic Growth and Skills	

1 Summary

- 1.1 Pyramid Park is a long-term disused council owned brownfield site located within the Bury East ward. It is less than 500 metres from Bury College on the fringe of the town centre.
- 1.2 The site occupies a prominent location within Bury town centre and has excellent access to the town's key facilities and amenities. To the north and south of the site are two campuses of Bury College. The site is bounded to the west by the line of the Metrolink, which is expected to be co-located within a part of the site boundary at a future date. The wider area known as 'Townside' comprises a health centre, offices and a Premier Inn hotel. Residential uses lie to the east of the site with some Six Town Housing (STH) and Irwell Valley Housing Association (IVHA) social housing properties, with Townfields Close located to the easterly end.
- 1.3 Pyramid Park extends to around 3 hectares (7.4 acres) and was formerly a railway station and sidings before being reclaimed as a public open space in the 1970's. In the interim it was used as a public park before being transferred to the Council's Property Services team in 2010/11 as part of the wider plans to develop the site. The site has recently been added to the Council's Accelerated Land Disposal Programme (ALDP), which is our process for disposing of surplus land. In recent years it has been used informally by residents as an 'urban park' with some low levels of anti-social behaviour. The site's excellent location in relation to transport infrastructure and the town centre makes it a key development opportunity and as such is recognised for an appropriate housing development site in Bury's Town Centre Masterplan 2022.
- 1.4 In January 2023 Cabinet approved the disposal of Townfields Close which is situated to the easterly end of Pyramid Park via the Registered Provider framework. It was suggested that should Brownfield Land Release Funding (BLRF) become available, both land assets should be included in the bid, which if successful will also benefit from remediation works.

- 1.5 Pyramid Park is allocated for development in Bury's Unitary Development Plan (UDP) for commercial/education use, however the proposal for residential development at Pyramid Park comes from the Bury Town Centre Masterplan – Zone H: Southern Gateway and this is considered a material consideration in planning terms.
- 1.6 Bury's Town Centre Masterplan 2022, identifies the site for a mix of community/intergenerational use and with this in mind, a high quality apartment and housing scheme is proposed, subject to masterplanning the area, capacity proving and planning policy discussions which are ongoing. The new development will take access from Market Street with an improved access road to the main site, whilst the easterly end (Townfield's) accessed from Townfield's Close.
- 1.7 If approved (and subject to a successful Brownfield Land Release funding award), the housing development of circa 100 units will be complemented by a 'at grade' ground level pedestrian access to the Bury interchange project.
- 1.8 Further long term travel aspirations include a tram/train link to Heywood and beyond with proposals for a new tram stop located at Pyramid Park. The partnership approach with TfGM and Bury College will see improved connectivity to and from the area, improving 'travel to learn' experience of students, with improved pedestrian/cycle access to the town centre. Residents on the site and nearby will also benefit from proximity to the proposed tram stop and improved pedestrian pathway to the main interchange in the town centre, thereby minimising car usage.

A map showing the proposed TfGM requirements is shown below.



- 1.9 Bury's Housing Strategy 2022 identified a growing need for suitable housing to attract and retain younger adults as well as improved housing offer for older people. The strategy refers to the need to cater for Bury's young residents seeking independence (16-25) young professionals (26-39) who might be interested in purchasing or renting a town-centre apartment. It is expected the wider scheme will target this age group as well as people looking to settle in Bury (26-45) who could be interested in purchasing house or apartment. It is expected those young people leaving care and local key workers may be attracted to this scheme.
- 1.10 The vision for the site is to attract a younger cohort of residents to the area with the older people's provision at the easterly end of the site within Townfields close to create a mixed intergenerational scheme. The Bury Town Centre Masterplan identifies Pyramid Park as a suitable location for meeting the needs of both groups, given its location close to services, access to public transport and town centre offer. The target group will enable the site to be sustainable complementing the existing biodiversity on the site and is expected to create a pleasant public realm.
- 1.11 The transport vision set out in the draft Local Transport Strategy for Bury is to create an attractive, well-connected Borough where people aspire to live, work and visit. By 2040, the Borough will be connected by a modern and efficient transport network, including comprehensive, affordable, high quality and attractive sustainable transport links. The Pyramid Park site is expected to co-locate housing with improved pedestrian access to the site for a future tram stop. The scheme offers potential to become an exemplar project for how the Council will meet its ambitions to develop a genuine integrated transport network that will support a healthy, green, connected and thriving Borough. Given the proposed connectivity to public transport in the vicinity, car parking within the site can feasibly be minimised, enabling the biodiversity and green spaces to be preserved and enhanced.
- 1.12 A RICS red book valuation is currently being undertaken and will inform the viability gap and will inform the level of brownfield land funding subsidy required to secure development. As the grant is to unlock the site for housing, it is expected there will be no requirement to repay the grant by way of an overage payment should values change at the point of disposal.
- 1.13 Subject to site investigations and access, c.100 properties can be provided on the westerly land which will be confirmed via capacity proving and confirmation of TfGM's requirements. The 100 units is in addition to the 35 being delivered on the easterly part of the site (approved at Cabinet in January 2023).

- 1.14 The site's status of 'Special Biological Interest' is being reviewed to understand the net development area with careful consideration for how the land can accommodate both housing and transport provision without prejudicing recognised protected species on the site. Site investigations are currently taking place to determine the full extent of constraints and suitability for a housing scheme. The loss of public open space will be considered at the appropriate time and referenced in Section 12.
- 1.15 Cabinet approval to dispose of the site (once remediated) is needed for the BLRF bid to provide assurance the site can be disposed of for housing. Previous cabinet reports on the Accelerated Land Disposal Programme in 2020 and 2021 did not specifically reference Pyramid Park, therefore approval is being sought to ensure Cabinet can formally endorse the proposal and disposal can take place once all works have been completed.

2.0 Overview

- 2.1 BLRF2 is a three year programme, offering up to £180 million of capital grant funding between 2022 - 2025, available to all English local authorities to support the release of council-owned brownfield land for housing.
- 2.2 In January 2023 Brownfield land Release funding was announced. The funding (if successful) will enable the larger site area to be progressed in tandem with Townfields Close and for the two pieces of land to be jointly remediated as part of a single procurement exercise. The deadline for funding bids is 31st March 2023.
- 2.3 The latest round of funding is available to 'unlock' challenged sites which would not otherwise come forwards without public subsidy. The funding is available to undertake the following:
 - Site levelling, groundworks, demolition, remediation.
 - Provision of small-scale infrastructure.
 - Highways works or other access challenges.
 - Addressing environmental constraints
 - External works, substructure and piling
 - Asbestos removal
 - Sewer diversions
- 2.4 The above constraints are recognised as typical constraints preventing brownfield sites coming forwards. Following these works, sites must be released to a developer/delivery partner for housing by March 2027. This

timescale will allow a full procurement exercise and detailed consideration of planning policy.

- 2.5 The fund is administered through the ‘One Public Estate’ programme, a partnership between Cabinet Office, the Department for Levelling Up, Housing and Communities and the Local Government Association. Locally, the LGA team supported by GMCA are managing the bids.

Having discussed a shortlist of sites with the funder it is evident the Pyramid Park site meets the funding criteria. It is recognised the site constraints and access issues will need to be remedied to de-risk the site prior to disposal. However funding will be subject to a rigorous assessment of viability, delivery risks and whether a benefit cost ratio of 1 or above can be achieved. Based on previous assessments of site constraints and assumed abnormal costs associated with its former use as a railway station, the site is deemed to have viability gap which necessitates public subsidy. Work is ongoing to clarify the scale of the viability gap which will determine the funding amount. The bid documentation is broadly based on HMT Green book business case principles and is expected to form part of a competitive process.

- 2.6 At this stage it is estimated that a bid of c. £1m-1.5m will be made to help prepare the land for disposal and thus secure a capital receipt for housing during 2024-26 helping to progress the town centre housing vision.
- 2.7 Whilst a previous cabinet approval exists for Townfields Close from January 2023, approval is now sought for the eventual disposal of the remainder, larger land on Pyramid Park.
- 2.8 The finalised bid is required to be signed off by the Council’s Chief Executive or S.151 officer. A letter to James Daly MP informing them of Bury’s intention to bid has also been sent, which was a key requirement of the bid.
- 2.9 This report seeks approval to dispose of Pyramid Park for the delivery of a high-quality housing scheme subject to site investigations, viability and funding availability.

3.0 Recommendation(s)

That Cabinet;

- 3.1 Approve the proposals for the disposal Pyramid Park as set out within this report, to expedite delivery of the priorities within the Housing Strategy and Town Centre Masterplan.
- 3.2 Delegate the finalised terms of the procurement exercise and disposal to the Council's Section 151 Officer, Head of Law & Democratic Services and Executive Director of Place in consultation with the Director of Housing and Cabinet Member for Housing Services.

- 3.3 Note that a further report will come to Cabinet should a successful funding award be made. The report will set out the proposed disposal method and planning strategy.

Reasons for recommendation(s)

- 3.4 Support Bury's Brownfield Release funding bid by approving the site for housing development, providing funders with confidence the site has the necessary approval for disposal.
- 3.5 Facilitate the Councils 'brownfield first' approach to housing delivery and reduce liability for holding long-term disused sites.
- 3.6 To facilitate delivery of the Housing Strategy 2021 and wider Town Centre Masterplan which details the need for high quality aspirational homes.
- 3.7 Attract and retain young adults and young professionals to Bury.
- 3.8 Unlock a key opportunity site for the town centre
- 3.9 Promote innovation and ensure that the Council meets the obligations of the best value requirements of s123 of the Local Government Act 1972.
- 3.10 Create wider social, environmental and financial benefits including additional council tax revenue.

4.0 Alternative options considered and rejected

- 4.1 Do nothing: Bury has high levels of need for housing in general and both young and older people specifically require town centre housing provision. This is a brownfield site deemed suitable for housing in an area of high demand, to do nothing would not be an option.
- 4.2 Remediate the site for office/educational. There is currently low demand for stand-alone office development post-Covid and there are sites with stronger characteristics for this type of use in and around the town centre. In addition, there is no capital funds available to remediate the land for this use.

5.0 Site location

Figure 1



6.0 Proposed Development

- 6.1 Based on existing masterplanning and initial discussions with TfGM, the site has capacity for circa 100 homes on the north westerly site area and 35 homes on the easterly Townfields Close end of the site. The exact tenure mix of the new north westerly development is subject to development appraisal work taking place but is likely to offer 25% affordable homes policy. The percentage mix of tenure will be agreed during the procurement stage. It should be noted, the Council's preference is for social rent where possible.
- 6.2 Where possible, the new homes would be built to 'Future Homes Standards', incorporating low carbon technologies, energy efficient heating systems to reduce fuel bills, natural sustainable drainage and nesting bricks to side elevations to encourage wildlife, offering significant benefits to residents, the Council and the environment.
- 6.3 The proposition is that all affordable properties would be owned and managed by a registered provider but the Council would retain 100% nomination rights to all social/affordable rent homes in perpetuity. Generally, the Council would only be entitled to 100% nomination rights on all first lets and 50% thereafter.

7.0 Housing Need & Intelligence

- 7.1 The Council is currently facing significant financial challenge alongside an increased demand for services. At present, around £22 million of the adult social care budget is spent on a range of services and support for older people and those with cognitive, physical or sensory care needs.
- 7.2 Similarly Bury's young care leavers require suitable housing accommodation and the housing strategy recognised the need 'to expand the routes through

which we support people to access a suitable permanent homes' and those younger adults seeking additional independence in a supportive environment. Working with Bury College and the council's children and young people service we would seek to identify young care leavers to benefit from this scheme. A focus on prioritising protected groups is indeed a requirement of the BLRF bid in order to evidence innovation in tackling known housing needs.

- 7.3 The Housing Needs and Demand Assessment (HN&DA) for Bury reveals that its population is increasing; from 191,841 in 2020 to 198,241 in 2030; representing a 5.6% increase.
- 7.4 There is estimated to be a marked increase in the number and proportion of older residents in the borough. The number of 65+ residents stood at 35,225 in 2020 but will increase by 5,126 by 2030 (up by 14.6%) and by 8,410 by 2037 (up by 23.9%). The Housing Strategy recognises that this age group can be attracted to apartment schemes such as this, which in turn will release larger family homes for families.
- 7.5 The HN&DA Bury township profile identifies a need of the following types of affordable dwellings:
 - one bedroom flats
 - two or three bedroom flats
 - one or two bedroom bungalows
- 7.6 Bury's Let's Do It 2030 Strategy identifies a key housing priority as "Building houses that are homes"
- 7.7 A key focus of the Housing Strategy is to address the shortfall in housing provision for younger adults and older people and increase options for specialist groups, to drive better quality outcomes for individuals and wider communities.
- 7.8 The proposed disposal at Pyramid Park to develop a multi generational housing scheme would deliver a significant element of the identified shortfall, complement wider regeneration plans and help both cohorts live independently in a sustainable location.

8.0 Next Steps

- 8.1 If approved, the council will have the necessary approval to support the Brownfield Land Release Funding bid, giving confidence to funders that the site has been formally approved for disposal for housing use.
- 8.2 Senior officers and key stakeholders will finalise the bid. The decision date is expected to be in the Summer 2023, with grant funding agreements signed in September/October 23. Should Bury be successful it will develop a procurement brief, setting out the Council's requirements and desired outcomes for Pyramid Park, including future housing mix and tenure. Further

survey work may be needed along with joint masterplanning exercise with TfGM to determine extent of remediation works, access requirements and finalise the proposed scale of the housing scheme.

- 8.3 Subject to successful funding, the disposal will be managed in a way that;
 - enables an increased and improved housing offer for younger adults (18 - 25), young professionals (26-39) and adults aged 26-45 looking to settled in Bury and older people (over 65).
 - delivers outcomes in Bury Town Centre Masterplan.
 - complies with Brownfield Land Release Funding outputs
- 8.4 A procurement strategy will be developed to assess against a range of performance criteria and quantitative and qualitative assessments, including previous experience and expertise of developing and delivering schemes of this nature. The successful provider(s) will work with the Council to deliver the proposed scheme.
- 8.5 A project plan with risk register, key milestones and timelines will be established to monitor progress, enabling the Council to take control and accelerate delivery.

9.0 Links with the Corporate Priorities:

- 9.1 This proposal contributes towards meeting the Council's priorities across a range of policy areas including increasing the supply of affordable housing to meet the current and future housing needs of younger adults and older people.
- 9.2 It sets out plans for the delivery of a housing development on brownfield land and an opportunity to create successful and inclusive neighbourhoods in conjunction with the ambitions of the Bury 2030 Let's do it Strategy.

10. Equality Impact and Considerations:

- 10.1 This proposal demonstrates a positive impact on people with protected characteristics. It recognises the specific housing needs of care leavers and older people including and seeks to ensure an affordable rental tenure and house types across the site to meet the needs of residents.
- 10.2 The redevelopment of this site will result in the regeneration of a key location in the town centre, which will help improve the local environment by reducing opportunity for anti-social behaviour. The development will also provide much needed affordable homes for a range of people.

11. Environmental Impact and Considerations:

- 11.1 The new homes would have low carbon design, including the installation of energy efficiency measures to reduce fuel bills and cut carbon emissions.

- 11.2 Nesting bricks to side elevations in shaded areas will encourage wildlife and provide nesting opportunities.
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Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The scheme doesn't attract any external funding	A review of delivery risks will take place and disposal strategy revisited at that stage.
The Council fails to achieve best value for the land in accordance with s123 of the Local Government Act 1972	Disposal of the land through the Chest and Registered Provider Partnership Framework would ensure that best value is achieved.

12. Legal Implications:

- 12.1 A full site due diligence exercise is currently being undertaken, the results of which will be fed into the tender exercise.
- 12.2 A public open space notice process will need to be undertaken prior to disposal. The notice pursuant to s123 (2A) of the Local Government Act 1972 will allow Members of the public to object to the disposal of the open land. The Council will give consideration to any objection received to the proposed disposal within 28 days of the publication of the notice.
- 12.3 Approval to dispose of this land has not previously been agreed for this purpose. The Council must ensure that it meets the obligations of the best value requirements of s123 of the Local Government Act 1972 a RCIS Red book valuation will be commissioned to ensure that the Council obtains best value for the land as set out in the body of the report. Detailed legal advice will be provided at all stages.

13.0 Financial Implications:

- 13.1 This scheme will enable the construction of aspirational apartment and housing scheme, affordable homes aimed at younger adults, adults looking to settle in Bury and older people. The remediation activity funded via Brownfield Land Release Funding will improve the value of the land, derisk the site to potential investors and maximise the land value at the point of disposal.
- 13.2 On the basis of compliance with the government's programme and dependent upon the wider delivery of housing supply, the development proposals have the potential to generate additional council tax revenue and New Homes Bonus payments. However, this is reliant upon the Council achieving the minimum threshold for new housing developments.
- 13.3 A RICS red book valuation is required on this site in order to calculate the viability gap. This will also be used to benchmark future offers at the point of

disposal to a third party developer/RP. There is an anticipated capital receipt included within the 2023/24 schedule for the disposal of this site in quarter 4 of 2023/24 with a medium risk level in terms of value and/or deliverability within the timeframe and therefore, the timing of a bid and delivery of the works is critical if this is to be achieved.

- 13.4 A further report will be required for Cabinet should a successful funding award be made, which will cover the proposed disposal method and planning strategy.
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Appendices:

N/A

Background papers:

N/A

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
The Chest	The Northwest e-portal for procurement where local authorities (and some other public bodies) advertise some of their tenders.
Registered Provider (RP)	Also known as a housing association.
Housing Needs and Demand Assessment (HN&DA)	Data available on Bury's townships
BLRF	Brownfield Land Release Funding
OPE	One Public Estate
LGA	Local Government Association
STH	Six Town Housing
IVHA	Irwell Valley Housing Association
UDP	Unitary Development Plan