

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 04 December 2024
Subject:	Prestwich Village Regeneration Scheme: Delivery of Phase 1A (Travel Hub) – Main Works Package (Part A)	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

- 1.1 The purpose of this report is to seek approval from Cabinet for the Prestwich Regeneration LLP (the Joint Venture company [JV]) of which the Council are 50%, to appoint the main contractor for the main works for the delivery of Phase 1A (Travel Hub) of the Prestwich Village Regeneration Scheme (the Scheme).
- 1.2 This report is the second stage and a follow-up to the Cabinet report 16th July 2024 where approval was given for the legal structure and procurement strategy to appoint the Developer for the Scheme, which in turn will secure the services of a contractor using a Public Contracts Regulations 2015 (PCR) compliant procurement route.
- 1.3 As confirmed in the previous Cabinet report, the JV [LLP] will be appointed by the Council as the Developer for the Scheme. Muse Places Ltd (Muse) will undertake this role on behalf of the JV [LLP]. Muse is a member of the Morgan Sindall Consortium LLP. Their appointment is via the Pagabo Developer Led Framework and Muse will in turn, enter into a sub-Development Agreement with the JV [LLP].
- 1.4 The recommended PCR compliant route to procure the Main Contractor to deliver Phase 1A is the Pagabo Major Construction Works Framework (Pagabo).
- 1.5 The Council has scrutinised the recommended procurement strategy for the main contractor works provided by Muse. Acceptance of the recommended procurement strategy has been subject to both framework conditions and objective assessment criteria in line with the PCR. The contractor selected following due diligence to deliver Phase 1A is VINCI Construction UK Limited (VINCI).
- 1.6 The procurement route as explained above also dovetails with the approval by Cabinet of the funding strategy on 16th July 2024 and enables the delivery of Phase 1A to be within the approved £14m cost envelope.

- 1.7 The proposed timescale for the delivery of Phase 1A is 71 weeks commencing January 2025, with completion in May 2026.

Recommendation(s)

It is recommended that Cabinet:

- 2.1 Give consent for the Council (as 50% of the JV [LLP]) to provide approval to the JV [LLP] to appoint and enter into a building contract with VINCI as the main contractor to deliver Phase 1A (Travel Hub).
- 2.2 Accept the tender report recommendation that VINCI undertake the main works at a sum contained within Part B, subject to the agreement of any contract amendments and clarifications, and within the previously approved cost envelope of £14m (inclusive of fees and other project management costs).
- 2.3 Delegate authority to the Director of Law and Democratic Services in consultation with the Executive Director of Place to finalise and execute the building contract (noting that approval to be able to negotiate and complete detailed legal and procurement agreements associated with the delivery of the Scheme was given on 16th July 2024), consultant appointments, warranties and any other related ancillary agreements.
- 2.4 Delegate authority to the Director of Law and Democratic Services in consultation with the Executive Director of Place to execute the Pagabo Client Access Agreement on behalf of the Council as a Member of the JV [LLP].

Reasons for recommendation(s)

- 3.1 The use of Pagabo alongside objective criteria assessment is a PCR compliant procurement route which gives the ability to award the contract under this framework to deliver the main construction works for Phase 1A. This also ensures the successful completion of the strategic enablement phase of the Scheme that will unlock the next development phases in Prestwich.
- 3.2 The use of a PCR compliant framework reduces the need to undertake a full tender process and significantly reduces the time required to appoint a main contractor. It also facilitates access to contractors of an appropriate tier and level of experience to deliver the travel hub. This ensures that Phase 1A is delivered competently, within the expected timescales and reduces risk of contractor failure.
- 3.3 Through the procurement process, VINCI were able to offer the ability to deliver at the scale and complexity needed, demonstrated they had the ability to contract with the JV [LLP] terms and were able to evidence the financial standing to secure deliverability. Their financial standing was assessed as good, and they are considered a sustainable enterprise.

- 3.4 Secured delivery of the Travel Hub is in line with the approved funding envelope of £14m with significant risk transfer to the Main Contractor negotiated by the Developer.

Alternative options considered and rejected

- 4.1 The use of a procurement framework to undertake a mini competition was considered but discounted. This was because the framework provider was able to offer objective summary comparison data to allow the Council to differentiate between commercial and quality measures for each contractor. This information was sourced by the framework following the competitive dialogue carried out during the framework tender process. As such, a mini-competition was not considered necessary. However, further, objective measures have been used by the Council to further differentiate between contractors to ensure value for money has been secured for the project.
- 4.2 The use of an alternative procurement framework was discounted due to commercial efficiencies of using Pagabo for the Developer Framework and Contractor Framework.
- 4.3 A full and open tender process on The Chest was discounted due to the timescales involved in undertaking a full PCR compliant tender process for the selection of a Main Contractor and the knock-on impact this would have on the commencement of works on site.

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Background

- 5.1 As part of the Council's vision for 2030, we are working collaboratively with our communities to achieve faster growth than the national average alongside lower levels of average deprivation. The 'Let's do it!' strategy focuses on building a better future for our children and young people, promoting inclusion, improving our environment, and delivering improvements in prosperity and quality of life.
- 5.2 The project will deliver a framework for modern urban living, working and social enjoyment in Prestwich Village. It aims to bring forward a cohesive programme of regeneration that will see the development of a new village centre which is

inclusive, sustainable, reflects the needs and aspirations of local residents and delivers an attractive urban environment alongside a thriving local economy.

- 5.3 As noted in the Cabinet report 12th July 2023, the scheme has the potential to bring in significant capital investment which will help to deliver multi-faceted regeneration, economic growth, and environmental improvements in Prestwich Village.
- 5.4 To realise the vision, Cabinet approval was given on 13th October 2021 for the Council and Muse to legally form the Prestwich Regeneration LLP (the JV [LLP]) to bring forward the multi-phase mixed use regeneration scheme.
- 5.5 Significant progress on developing the Scheme has been made since the JV [LLP] was formed and it has reached a key milestone where it is ready to deliver Phase 1A – the construction of the new Travel Hub.

Legal Structure/Procurement Route

- 6.1 Cabinet approved the formation of a joint venture company (The Prestwich Regeneration LLP – the JV [LLP]) with Muse on 13th October 2021.
- 6.2 The Council will appoint The Prestwich Regeneration LLP as Developer for the scheme. The developer role will be undertaken by Muse (being part of the Morgan Sindall Consortium) via Pagabo and Muse will enter into a sub-Development Agreement with the JV [LLP].
- 6.3 The JV [LLP] is proposing to use the Pagabo Major Construction Works Framework to select VINCI as the Main Contractor to construct Phase 1A. This proposal is based on completion of a Contractor Assessment process covering cost and quality criteria. Further due diligence on an objective basis has been undertaken by Bury Council.

Appointment of Contractor

- 7.1 Further to close analysis of Pagabo's contractor assessment criteria as mentioned above, VINCI's selection has been via an award via the without further competition approach. This approach has been subject to significant legal due diligence and has required use of objective assessment criteria beyond those criteria set out under the Pagabo Framework.
- 7.2 VINCI will be appointed with a Building Agreement to deliver the main construction works for Phase 1A.
- 7.3 The main Development Agreement will be entered into by the JV [LLP] and VINCI following approval by Cabinet for authority to be provided to the JV [LLP] to enter into contract.

7.4 As set out in Part B.

7.5 As set out in Part B.

Construction Programme

8.1 **Deliverability and logistics** – the sequencing of the works and the duration of the programme is informed by site surveys and investigations, enabling works, design development, supply chain management, and overarching health and safety requirements; underpinned by industry standards and appropriate methodologies for the delivery of the construction works.

8.2 **Value for money** – the phasing of the programme is intended to deliver the project as efficiently as possible; minimise overall duration of the works and reduce the cost of prelims, whilst ensuring quality is not compromised. The principal contractor VINCI was procured through the Pagabo Major Construction Works Framework, ensuring that the contract was suitably procured in line with both the Council's contract procedure rules and associated social value principles.

8.3 **Minimising operational disruption** – the construction works has been planned in such a way as to minimise disruption and mitigate the risk posed by construction work upon neighbouring buildings, the Metrolink line and the public. Communication to the local residents and other stakeholders will be distributed via the Yourprestwich.com website and social media channels, with the next reiteration to be issued in December 2024/January 2025 to confirm commencement on site. Regular updates will be issued to local residents at critical points throughout the course of the construction.

8.4 In addition to the main works programme, there will be a robust cashflow forecast and risk management plan that will be monitored on a monthly basis (or more frequently as required) to ensure the successful delivery of Phase 1A.

Progress to date with Phase 1A (Travel Hub)

9.1 Full planning permission for all of Phase 1 was granted by the Planning Authority 23rd July 2024, followed by the Planning Decision Notice being issued on 26th September 2024. The Judicial Review period expired on 8th November 2024 with no challenges having been lodged.

9.2 RIBA Stage 4 (Design) work has been ongoing to prepare for the delivery of this first phase and to enable the JV [LLP] to keep to expected timescales.

9.3 Associated work has also been undertaken to establish a final draft Development Plan, Development Agreement and Building Agreement. The JV Management Board will review and approve these documents during December 2024.

- 9.4 Further site investigation works are due to commence on site from 4th December 2024 (for a period of 4 weeks), leading to the delivery of the enabling works commencing on site in January 2025 with the main works following seamlessly from Summer 2025. Completion of the delivery of Phase 1A is expected May 2026.

Communications

- 10.1 There will be regular communications send out by Font (PR consultant) and the Council to Prestwich Members, local residents and businesses to keep them updated on the progression of the delivery of the Travel Hub. This will include contact details for members of the public to raise questions.

Travel Hub Operations Management Strategy

- 11.1 The Council is proposing to operate the Travel Hub by contracting it out to a third-party operator under a management agreement or lease arrangement. Due diligence has been undertaken to confirm this as being the recommended option and operation decision approval was given at Regeneration Board 19th November 2024.
- 11.2 A procurement process to select and appoint a third-party operator will commence in accordance with the delivery timescale of Phase 1A and will be in place before the Travel Hub is due to open.

Social Value

- 12.1 The scheme has a Social Value Vision Statement that quantifies the overall Social Value that it has the potential to bring to the local community in terms of new jobs and additional local spend, as well as the broader social, economic and environmental value benefits. This was previously established alongside Bury Council's Social Value Strategy in order to identify priorities.
- 12.2 There is also a Prestwich Village Construction Social Value Action Plan that covers the expected outcomes, measures, associated monetary values and delivery mechanisms to ensure that Phase 1A (and all future construction phases) meet its stated objectives. Such outcomes and associated targets will be discussed with Vinci and will form part of the contract and regularly monitored throughout its duration.
- 12.3 Both documents will be reviewed in line with the Council's new strategy as approved by Cabinet on 6th November 2024.

Links with the Corporate Priorities:

- 13.1 The redevelopment of Prestwich Village supports delivery of the 'Let's Do It!' strategy and the four principles that underpin it as they all have a correlation to how the Council will design the future of our towns:

Local Neighbourhoods: The delivery of the Scheme will support the Council fulfil the aims of the neighbourhood delivery model, making the borough a safe place to live, putting the borough on track for carbon neutrality and building houses that are homes.

In summary, the Scheme will:

- Provide a new community hub that will re-provide a modern-day library, adult learning provision, community space and health related services which will be a true connection to the community and integrated public service teams in the village centre.
- Build new homes will endeavour to meet the eco-homes standard and be high quality, carbon neutral and affordable.
- Promote active travel – provision of a travel hub and walking and cycling routes that will connect people with local amenities. Design a new village centre that will include ‘secure by design’ principles to allow people to feel safe and secure.

Enterprise to drive economic growth and inclusion: The Scheme will:

- Create more flexible and innovative/digital workspaces for local entrepreneurs to grow.
- Modern retail space to encourage more new and independent businesses to open and remain in Prestwich.
- Invest in the physical infrastructure and work with key stakeholders such as Transport for Greater Manchester to enable local people to access employment and training opportunities to contribute to the growth of the local economy.

Delivering Together: The Scheme will:

- Make sure that everyone’s voice is heard via community engagement/consultation at various stages of the development of the Scheme and through a variety of media platforms, including a dedicated website.
- Develop new buildings which will promote the use of them as community assets i.e. community hub, market hall and public realm which will in turn, support community involvement and organisations and connect people to them.
- Provide the opportunity to drive digital inclusion through the use of the latest technology in the new buildings.
- Provide better transport connectivity through its design and involvement of the Active Travel agenda.

A Strength-Based Approach: The Scheme will:

- Promote community wealth building and community capacity as community groups have and will continue to be encouraged to be part of the community engagement/consultation processes.
 - Build on previous links to development the scheme that have been made with Bury VCFA.
 - Provide flexible community space in the community hub and outdoor space for events that will promote community inclusion within the village.
 - Recognise the importance of population health due to the likely relocation of the existing NHS services into the community hub building, as well as providing the opportunity to increase health provision in the village.
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Equality Impact and Considerations:

14.1 A full Equality Impact Assessment has been completed, and it has been concluded that there will be a neutral effect on all groups of people with protected characteristics as the approval is to appoint a contractor to deliver Phase 1A (Travel Hub) via a PCR compliant framework.

Environmental Impact and Considerations:

15.1 One of the Scheme's objectives is to deliver a sustainable development. As noted in the report to the 12 July 2023 Cabinet, delivering sustainable developments is now a primary goal for the Prestwich Regeneration LLP. It has adopted Muse's Sustainability Strategy which includes a Sustainable Development Brief and Sustainable Action Plan which will be utilised on the Scheme – both making up the Sustainable Development Strategy.

15.2 The Planning and Regeneration Statement submitted as part of the hybrid planning application provides summary detail on the environmental impact of the Scheme, including carbon emissions and biodiversity. It states that:

“The scheme will be low and net zero carbon by design – sustainability and carbon reduction are fundamental to the proposals. Proposed measures include new energy and water efficient buildings to minimise carbon in operation, the use of sustainable building materials to reduce upfront embodied carbon, photovoltaic panels and air source heat pumps.”

“The proposals for Prestwich Village will secure a significant increase in biodiversity when compared with what is on the site at the moment. The proposals will uplift biodiversity by more than 40%. This will be supported by significant levels of new tree planting, open spaces and public spaces where people and nature can thrive.”

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
<p>Reputation risk – confidence in the ability of the JV [LLP] and VINCI to successfully deliver Phase 1A.</p>	<p>An expert and experienced delivery team with effective project management structures.</p> <p>Appropriate contingency provision and risk management strategy, including risk apportionment.</p> <p>The procurement of VINCI under a PCR compliant framework.</p> <p>Secure Parent Company Guarantee (PCG) to ensure contractor sustainability in difficult construction marketplace.</p>
<p>Regulatory risk – changes in laws, policies and regulations during the delivery of Phase 1A.</p>	<p>Appropriate contingency provision and risk management strategy, including risk apportionment.</p>
<p>Delivery risk – site conditions, including unforeseen conditions resulting in cost increases.</p>	<p>Site investigations, appropriate cost planning and contractor engagement, form of contract, warranties etc.</p>
<p>Delivery risk – build risk associated with contractor management.</p>	<p>Effective contractor management through regular contract meetings and contract retentions.</p>
<p>Delivery risk – supplier risk i.e. availability of specialist contractors.</p>	<p>Effective procurement strategy and robust contractual arrangements including due diligence.</p>
<p>Permissions risk – delay in discharging pre-commencement planning conditions that effect a start on site and during construction i.e. building regulations.</p>	<p>Regular meetings pre-contract have taken place to ensure timescales are met and contact with the relevant authorities will continue during the construction phase.</p>
<p>Financial risk – increase in costs during construction.</p>	<p>Early contractor involvement to ensure a robust cost plan is in place that will be regularly monitored throughout the contract, including contingencies to cover unforeseen works, rise in inflation etc.</p> <p>Effective financial monitoring/ management systems will be in place.</p>

Risk / opportunity	Mitigation
Level of contingency	There is an appropriate level of construction contingency (as detailed in Part B) for the delivery of Phase 1A. This is based on a developed and detailed RIBA Stage 4 design, early contractor and specialist contractor engagement and an appropriate risk transfer.

Legal Implications:

16.1 Legal comments are set out in Part B of this report.

Financial Implications:

17.1 Approval of this recommendation will enable the JV to proceed without further delay to start on site for the Travel Hub and within the total agreed cost envelope of £14m approved at July Cabinet. The application of objective criteria to select the recommended supplier, from those identified initially through the PCR compliant procurement framework, has enabled the Council to achieve Value for Money through considering cost and quality alongside an objective assessment of the contractor's financial standing and capacity to deliver the scheme. In the event approval is not given, and a competitive tender is undertaken, this would necessarily lead to a delay in delivering the scheme along with a risk of additional costs potentially being incurred linked to that delay.

Appendices:

No appendices are attached to this report.

Background papers:

- October 2019 Cabinet Paper
(<https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=126&MId=2388&Ver=4>)
- March 2021 Cabinet Paper
(<https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=126&MId=2671&Ver=4>)
- May 2021 Cabinet Paper
(<https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=126&MId=2867&Ver=4>)

- October 2021 Cabinet Paper
(<https://councildecisions.bury.gov.uk/ieListDocuments.aspx?CId=126&MId=2867&Ver=4>)
- July 2024 Cabinet Paper
Prestwich Village Regeneration Scheme: Delivery of Phase 1A (Travel Hub) – Legal Structure and Funding Approval (Parts A and B)
- Prestwich Village Social Value Statement and Prestwich Village Construction Social Value Action Plan

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

Term	Meaning
Prestwich Regeneration LLP	The Joint Venture company that comprises of Bury Council and Muse Places Ltd that has been established to deliver the Prestwich Village Regeneration scheme.
PCR	Public Contract Regulations 2015 (Statute).
Pagabo Developer Led Framework	A PCR compliant procurement framework that is an agreement between a provider/range of providers that enables buyers to place orders for goods, services and works without facing a lengthy tendering process.
Pagabo Major Construction Works Framework	A PCR compliant procurement framework that sits under the Pagabo Developer Led Framework that allows access to contractors to get Best Value for large-scale construction projects.
RIBA Stage	Incremental approach to the development and delivery of construction projects, as outlined by the Royal Institute of British Architects.
RIBA Stage 4	Technical Design – the production of detailed architectural and engineering designs and specifications ready for tendering, submission to building control and construction. Building systems are finalised, a detailed design programme produced and all technical information prepared.

Term	Meaning
Enabling Works	The preparation of a site in readiness for the first stage of development. Examples include installing perimeter fencing, installing site cabins, scaffolding, carrying out ground clearance, building access routes and putting up safety signage. Enabling works may also include preliminary construction work, such as groundworks or demolition.
Development Agreement	A legal document that outlines the relationship between a developer, the landowner and any other parties involved in a construction project.
Building Agreement	A legal document between the contractor and an employer to complete the building work.