

Report to:	Cabinet	Date: 11 June 2025
Subject:	Bury Flexi Hall – Operator Procurement	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

- 1.1. This report provides an update to Cabinet on the progress made to date with the procurement of a third-party operator for Bury Flexi Hall. This report also seeks approval to commence the formal procurement process to appoint a third party operator for the Bury Flexi Hall.
- 1.2. Main contract works for the Flexi Hall commenced on 21st October 2024 with the demolition of the former Bury Market office (1 Murray Road), 47-51 Market Street, and 2-10 Princess Parade having now taken place. Preparatory foundation works for the new Flexi Hall are currently underway and the installation of the building's steel frame will begin in August 2025.
- 1.3. Construction of the Flexi Hall is due to complete in Summer 2026. Allowing sufficient time for the operator to complete their fit out the Flexi Hall, the target opening date is Autumn 2026.
- 1.4. The Vision for the Flexi Hall is to have a Hall which acts as a major driver of footfall into Bury Town Centre reinforcing the critical role Bury Market plays in generating visitor numbers to the town centre. Bury Council are seeking an operator with experience of successfully operating similar facilities and who are able to develop a food and entertainment offer that complements the existing assets in Bury Town Centre and improve the night-time economy.
- 1.5. Sixteen Real Estate and STAR Procurement have been appointed to assist with the procurement process and selection of a preferred operator, from the initial expression of interest (EOI) stage through to handover. Sixteen Real Estate will also provide advice and negotiate on commercial agreement terms between Bury Council and the preferred third party operator.
- 1.6. An EOI for the opportunity to operate a food and events hall in the Flexi Hall was launched on 19th March 2025. This was led by Sixteen Real Estate in conjunction with STAR Procurement and the project team. Initial introductory meetings with interested parties were held in late April and early May.
- 1.7. The successful operator will be granted the right to operate the Flexi Hall business within the council's jurisdiction, therefore this arrangement will fall under a 'Concession Contract' The FTS threshold for this is £5,372,609 and

the projected revenue from this contract will fall below this threshold. The council will utilise the EO/Market Engagement to invite a minimum of 3 suitable operators to formally tender for this requirement.

- 1.8. The Property and Estates Board will oversee the procurement process including the tender specification and weightings. Monthly updates will be provided to the Board throughout the procurement exercise.
- 1.9. A further report will be brought back to Cabinet later this year seeking formal approval to award the contract to the chosen preferred operator.

Recommendation(s)

- 2.1. Update Cabinet on the progress made to date on the procurement of a third party operator for Bury Flexi Hall.
- 2.2. That Cabinet grant approval to commence the formal procurement process to appoint a third party operator for the Bury Flexi Hall.

Reasons for recommendation(s)

- 3.1. To allow the Council to progress the procurement of a third party operator for Bury Flexi Hall to ensure we have an operator on board in a timely manner.

Alternative options considered and rejected

- 4.1. Do not commence the procurement process and Bury Council operate and managing the facility directly. This option has been discounted due to lack of internal capacity and experience of operating modern food and entertainment facilities.

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Background

The Flexi Hall

- 5.1. In October 2021 the Council was notified of its successful bid to the Levelling Up fund for a £20 million contribution towards the Bury Market and Flexi Hall project. The Flexi Hall project involves the creation of a high quality, flexible, multi-functional food and events facility adjacent to Bury Market and located at a key gateway to the Town Centre. Capitalising on the unique opportunity

provided by substantial levelling up investment and Council capital match funding, the Flexi Hall is designed to provide an unparalleled, new opportunity to enhance, compliment and expand Bury's cultural, leisure and hospitality offer, including its evening and night-time economy.

- 5.2. The main contract works for the Flexi Hall scheme commenced on 21st October 2024 with the demolition of the former Bury Market office, 47-51 Market Street, and 2-10 Princess Parade having now taken place. Preparatory foundation works for the new Flexi Hall are currently underway and the installation of the building's steel frame will begin in August 2025.
- 5.3. Construction of the Flexi Hall is due to complete in Summer 2026. Allowing sufficient time for the operator to fit out the space, with a target opening date of Autumn 2026.
- 5.4. The Bury Market & Flexi Hall project will support Bury's continued economic recovery from the Covid-19 pandemic and cost of living crisis and will represent the first phase of the longer-term regeneration of Bury Town Centre over the next decade (subsequent phases of regeneration including the delivery of the Mill Gate Strategic Regeneration Framework, Bury Interchange redevelopment etc). In this regard, the project will provide the firm foundations for Bury Town Centre to maintain its vibrancy and status as one of the strongest town centres in Greater Manchester for years to come.
- 5.5. In this regard, the project will support the development of a fairer, greener and more competitive and resilient local economy by delivering a more successful Town Centre which benefits the people and diverse neighbourhoods of Bury, its visitors and businesses.
- 5.6. The project is designed to act as a catalyst that aims to help generate increased footfall and consumer spending, whilst attracting future development, inward investment and encouraging businesses to prosper. As such, the project is aligned to supporting the delivery of several major, corporate strategies and Team Bury partner initiatives including:
 - Bury Council's 'Let's Do It' Vision and Strategy
 - Bury Town Centre Regeneration Masterplan
 - Bury Town Centre Evening and Night-Time Economy Strategy
 - Bury Economic Strategy (2024 – 2034)
 - Bury Town Centre regeneration masterplan strategy
 - Mill Gate Strategic Regeneration Framework
 - Bury Interchange redevelopment

Vision for the Flexi Hall

- 5.7. Bury Council have shared the following vision for the Flexi Hall with potential operators:

- To have a Hall which acts as a major driver of footfall into Bury Town Centre reinforcing the critical role Bury Market plays in generating visitor numbers to the town centre
- To have an evening food offer (the Town has many daytime casual eating venues, but the night-time offer is much weaker).
- To have a food offer of sufficient quality to draw in an audience from the wealthier catchments around Bury who do not use the town centre.
- To develop a food offer that complements the many cultural venues in the Town).
- To have a Hall that is busy on a seven-day basis, with a multitude of different users.
- To create a focal point for the people of Bury, and offer community events, programmes and activities.

Procurement of a Third Party Operator

- 5.8. To date, the project team have been working with STAR Procurement and Sixteen Real Estate to launch an initial expression of interest (EOI) for the opportunity to operate a food and events hall in the Flexi Hall.
- 5.9. STAR Procurement have been appointed to assist the project team with the procurement of a third party operator for Bury Flexi Hall. STAR Procurement will work with the project team and Sixteen Real Estate to provide procurement advice and support with the production and completion of relevant procurement documents through to contract award.
- 5.10. Sixteen Real Estate have been retained to assist with the following:
 - Market engagement with agents and operators.
 - Managing the expression of interest and initial introductory meetings with interested parties.
 - Work with Bury Council and STAR Procurement to agree appropriate procurement route to select preferred operator.
 - Provide advice and negotiate on commercial agreement terms between Bury Council and the preferred third party operator.
 - Prepare heads of terms for the occupation of the Flexi Hall by a third-party operator.
 - Act as liaison between Bury Council and the preferred operator to ensure swift and efficient completion of agreement through to handover.
- 5.11. The recent expression of interest was launched on 19th March 2025. This was led by Sixteen Real Estate in conjunction with STAR Procurement and the project team.
- 5.12. This EOI generated a good level of interest from a range of operators. Initial meetings with interested operators were held in late April and early May.

- 5.13. Whilst the Council's preference is to enter into a lease agreement with an operator to take on the whole building, the priority however is to secure an agreement with the right operator who will deliver on the Council's vision for the facility. Therefore, the potential for a management agreement on all or part of the Flexi Hall has not been discounted.
- 5.14. The tender specification and weightings will be taken to the Property and Estates Board for approval. Consideration will be given to the following:
- 5.14.1. Experience of successfully operating similar food and events facilities
 - 5.14.2. Vision for the Flexi Hall (incl. engagement with existing town centre assets, proposed programme of events, opening days/times, staffing structure)
 - 5.14.3. Commercial terms (incl. lease/agreement type, length of agreement, financial returns)
 - 5.14.4. Social value

Timescales

- 5.15. Construction of the Flexi Hall is due to complete in Summer 2026. The operator will require sufficient time to fit out the space for their intended use, for a target opening date of Autumn 2026.
- 5.16. An EOI for the opportunity to operate a food and events hall in the Flexi Hall was launched on 19th March 2025. Initial introductory meetings with interested parties were held in late April and early May.
- 5.17. The successful operator will be granted the right to operate the Flexi Hall business within the council's jurisdiction, therefore this arrangement will fall under a 'Concession Contract' The FTS threshold for this is £5,372,609 and the projected revenue from this contract will fall below this threshold. The council will utilise the EOI/Market Engagement to invite a minimum of 3 suitable operators to formally tender for this requirement.
- 5.18. The intention is to launch the full procurement process in June. The highest scoring operator post procurement process and due diligence processes will then enter into an agreement with the Council. We are seeking to appoint an operator by September 2025.
- 5.19. A further paper will be taken to Cabinet later this year to seek approval to award the contract to the preferred operator.
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Links with the Corporate Priorities:

- 7.1. The Bury Market and Flexi Hall scheme supports the regeneration of Bury Town Centre and the delivery of each of the themes underpinning the Corporate 'Let's Do It!' strategy. These underpinning themes focus on building inclusive Local neighbourhoods, driving economic growth and Enterprise, shaping public services (Together) collaboratively with communities and businesses, and delivering improvements that are built on Bury's inherent Strengths. All these themes have a correlation about how Bury Town Centre is designed for the future so that it continues to remain vital and viable; a future where people travel less, buy locally, and work and access local services. To this end, the Council has had to think carefully about neighbourhoods and how they can be redesigned to work well. This includes Bury Town centre, its neighbouring communities as well as others across Bury, who depend on it to access services, for retail purposes, for work and business, and for a multitude of other usages including leisure and culture. The Bury Market & Flexi Hall levelling up and Council matching investment will play a major role in the delivery of these priorities and the resulting benefits that will be achieved.
- 7.2. The 'Let's Do It!' strategy acknowledges that we have an unprecedented opportunity to address some of our deepest challenges by seeking to build a fairer society that leaves no-one behind, tackling the climate emergency, as well as addressing inequalities of opportunity within the Borough. In this regard, the Council has embraced the national "Levelling Up" agenda with investment propositions, including the Bury Market and Flexi Hall scheme. This strategic investment in Bury Town Centre is fully aligned with the Council's 'Let's Do It!' strategy, Bury Town Centre regeneration masterplan, and other Team Bury strategic initiatives, whilst a detailed economic value / benefits cost analysis, and strategic case was included as part of the approved Levelling Up Funding bid.

Equality Impact and Considerations:

- 8.1. The scheme has undertaken an Equality Impact Analysis (EIA) which is reviewed regularly as the scheme has been developed. This analysis considers the effect of scheme activity on different groups protected from discrimination under the Equality Act 2010. It aims to manage any associated risk on those affected by the change.
- 8.2. The procurement of a third-party operator will be conducted in accordance with the Public Contract Regulations 2015 and the Procurement Act 2023 that came into force on 24th February 2025. This will ensure that a fair, open and transparent.

Environmental Impact and Considerations:

- 9.1. The Bury Market Flexi Hall is designed so it has the potential to be carbon neutral in operation and is to a BREEAM Excellent standard. The Flexi Hall will incorporate photo voltaic (PV) solar panels sited on its roof which will help to generate sustainable, clean electrical power for the building and achieve building regulation compliance. The Flexi Hall design also incorporates roof mounted Air Source Heat Pumps which are a renewable energy source generating hot water and heat for the building. The timber cladding system to the Flexi Hall's external elevations and colonnade, is a visually attractive, renewable construction material which is also characterised by containing lower levels of embodied energy.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Delivery of and timescales for undertaking the procurement exercise	Cabinet approval to progress the procurement of a third party will enable the tender process to be carried out in a timely manner and a preferred operator being selected in time to engage with Vinci during the Reviewable Design Data process.
Lack of interest from the market.	The appointment of Sixteen Real Estate has enabled us to engage with a wide variety of experienced operators during the initial expression of interest stage.

Legal Implications:

1. It is proposed that the Council will award a concession contract to the winning operator of the Flexi Hall. The award of concession contracts falls within the Procurement Act 2023 although in this instance the contract will be below threshold.

Financial Implications:

If an operator is not in place to allow for the Flexi Hall to open, as planned, in Autumn 2026, there would be financial consequences of having operational costs being incurred with no income being generated as it has been established that there is not the relevant experience within the council to undertake the management of the Flexi Hall internally.

Opening in the Autumn is important to enable the Flexi Hall to be involved in the Christmas hospitality market and any delay to this could mean missing out on what is, for hospitality & events businesses, one of the busiest times of the year.

Choosing the right operator will also have an impact on the ongoing success of the market and choosing that operator at the earliest opportunity will allow their input into the interior uses of the building which will also impact its long-term sustainability.

Appendices:

BMFH Equality Impact and Considerations

Background papers:

10th July 2024 - Bury Market & Flexi Hall – Enabling Works & Main Works tendered cost / approval to progress Enabling Works & Main Works packages

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

Term	Meaning
Third-party operator	The outsourcing of a function to an outside company/organisation to ensure (in this case) the efficient management/operation of the Flexi Hall for the Council (as the client).
Social Value	The positive impact the procurement of services/goods has on the economic, social and environmental wellbeing of a local community or area that exceeds financial benefits.
Expression of interest/Market Engagement	Process of engaging with potential suppliers before you begin buying goods or services for your organisation.