

<b>Report to:</b>	Cabinet	<b>Date:</b> 03 December 2025
<b>Subject:</b>	Prestwich Village Regeneration Project: Phase 1B and 2 Development Strategy	
<b>Report of</b>	Leader and Cabinet Member for Strategic Growth	

## Summary

- 1.1 The Prestwich Village Regeneration Project will deliver a comprehensive re-development of the Prestwich Village site including the Longfield Centre. The Council has formed a Joint Venture (JV) with Muse Places to deliver this activity. The project will deliver a new village centre and contribute to the Council's strategic aims (Bury 2030) and 'Let's Do It' Strategy.
- 1.2 Extensive progress has been made on the development and implementation of the project. The first phase (Phase 1A Travel Hub) has been on site since March 2025, and construction of the new facility remains on schedule to be delivered by July 2026.
- 1.3 Alongside the delivery of the Travel Hub, work has continued at pace to prepare for the delivery of remaining development phases (Phase 1B and 2), which will see the rest of the project delivered. This includes new housing, new retail units, a market hall, new leisure facilities and a new home for the library and attractive public realm.
- 1.4 The Greater Manchester Combined Authority (GMCA) has provided comfort to Bury Council that funds will be available to deliver the next phases (1B/2) of development in their March 2026 Patient Equity regeneration funding round.
- 1.5 Provision of funds from the GMCA is contingent on the project hitting specific milestones, specifically the submission of a Planning Application, procurement of a contractor and a meaningful start of demolition works.
- 1.6 To achieve these milestones, the Council must commit a total of circa £3,475,000 of funding. This investment will be delivered via the JV to enable Muse Places to complete design, planning and demolition work packages and in addition, the Council will need to commit funds to secure vacant possession (VP) at the site.
- 1.7 The funding requirement is a high-level estimate at present and represents a maximum value expected. More detailed costs will be developed in line with progressing design development.

## Recommendation(s)

It is recommended that Cabinet:

- 2.1 Approve the commitment of circa £3,475,000 to deliver design, planning demolition and vacant possession activities required to achieve agreed milestones required to secure GMCA funding. This funding requirement is broken down as follows:
  - Underwriting of £2,250,000 in design fees (*funded initially by Muse Places on behalf of the Joint Venture*)
  - £1,000,000 in demolition costs
  - £225,000 to achieve vacant possession
- 2.2 Members to note the risks and proposed mitigations associated with the implementation of this development strategy.

## Reasons for recommendation(s)

- 3.1 Commitment of funds and delivery of the milestones stated below are required in order for the Council to secure external grant/Patient Equity funding via the GMCA in their March 2026 funding round.

## Alternative options considered and rejected

- 4.1 Pause the Prestwich Village Regeneration project following completion of Phase 1A of the development until external gap funding is secured via another route/funder. This option has been rejected as there is no clear alternative route to external funding for the project, other than that which is on offer from the GMCA. Following devolution, the majority of external grant funds are now managed via the GMCA. As such, their regeneration support funding is the most effective route to project delivery.

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## Background

- 5.1 As part of the Council's vision for 2030, Bury Council is 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 Prestwich Village Regeneration Project will deliver a framework for modern urban living, working and social enjoyment in Prestwich Village centre. 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 residents and delivers an attractive urban environment alongside a thriving local economy.
- 5.3 As noted in the Cabinet report of the 12<sup>th</sup> July 2023, the project 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 13<sup>th</sup> October 2021 for the Council and Muse Places to legally form the Prestwich Regeneration LLP (the JV) to bring forward a multi-phase mixed use regeneration project. Under this arrangement, Muse Places operate as the developer for the project, delivering construction and development activity on behalf of the JV.
- 5.5 The Prestwich Village Regeneration Project consists of three phases:
  - **Phase 1A** – Delivery of a modern Travel Hub facility consolidating parking in a single town centre location and making available land at Rectory Lane for redevelopment.
  - **Phase 1B** – Delivery of new retail units including a market hall, new leisure/community facilities, a modern new home for the Prestwich Library and new attractive public realm.
  - **Phase 2** – Delivery of c200 new homes.

### **Progress to Date**

- 5.6 Significant progress on developing the project has been made since the JV was formed and it has reached a key milestone where Phase 1A (Travel Hub) is being constructed on site and will be practically complete by July 2026.
- 5.7 The Travel Hub construction works (Phase 1A) are well advanced. This phase of work will consolidate car parking facilities, formerly on surface level car parks at Rectory Lane and Fairfax Road, into a single facility on Fairfax Road. The Travel Hub will also contain additional facilities to aid active travel modes and public transport.
- 5.8 The Council have a full planning application for Phase 1B of the project that was approved at Planning Committee on the 16<sup>th</sup> of July 2024. This phase

consists of retail, library, community and public realm outputs. There is an Outline Planning Permission for Phase 2 of the project which consists of housing outputs only.

## Funding

- 5.9 The JV has been supported by the GMCA in addressing viability challenges associated with bringing Phases 1B and 2 forward. In particular, the parties have been working to develop a funding mechanism which addresses challenges associated with unprecedented increases in construction price inflation being experienced across the sector.
- 5.10 The project has proposed utilisation of the GMCA's Patient Equity funding route to facilitate delivery of the project. The GMCA has set aside sufficient monies in terms of grant funding, patient and private equity which, combined with Council Prudential Borrowing, will fully fund the development to completion. Early allocations have been publicised by the GMCA as part of the "*£1bn Greater Manchester Good Growth Fund*" announced 20<sup>th</sup> November 2025.
- 5.11 At present, it is not possible to agree a Grant Funding Agreement (GFA) to formerly allocate funding to the project from the GMCA's Growth Fund. This is because the project is targeting GMCA's March 2026 funding allocation round for the project, which will accept bids from February 2026. The GMCA have however, given senior officers and politicians significant comfort that the monies will be available in March 2026, assuming that the following milestones can be achieved by the end of March 2026:
1. **Planning Permission:** The Planning Application for the project should have been submitted to the Local Planning Authority for validation.
  2. **Procurement:** The Bury/Muse Places Joint Venture (JV) should have selected a main contractor, agreeing the relevant Pre-Construction Services Agreement (PCSA).
  3. **Demolition:** Plans for demolition activity on the site should be advanced with a meaningful start on site having commenced.
- 5.12 Demolition activity on the site is permissible under the existing Planning Application granted in July 2024.
- 5.13 The project team have established that the most efficient route to achieve full planning permission in the timescale mandated by the GMCA is to carry out a full EIA Planning Submission for Phases 1B and 2 combined. This will build on designs already developed for Phase 1B and reflect any scope changes required to ensure that the project is deliverable under the Patient Equity funding mechanism. Consultation with local residents will occur in line with the development of the Planning Application, although this will be streamlined so as not to engage on matters already discussed/agreed.

- 5.14 The high-level project plan shown in Appendix A illustrates that the JV can achieve these agreed milestones, giving strong comfort that the GMCA will support the project.
- 5.15 Delivery of these three milestones will require the allocation of funds to deliver design, planning and demolition activities. The required funds are broken down as follows:

Table 1: Interim Resource Requirements (Prestwich Village)

<b>Funding Requirement</b>	<b>Cost</b>
Design and planning activity required to deliver a compliant planning application for submission in March 2026. Design activity will also facilitate procurement of a contractor to deliver the project.	£2,250,000
Funding to develop and deliver demolition activity, clearing the Longfield Centre and other buildings on site.	£1,000,000
Funds to facilitate VP of the site – including movement of the Prestwich Library to a temporary facility.	£150,000- Backlog maintenance & revamp £50,000 – Removal activity & set-up £10,000 – Bury Council Clerk of Work £15,000 – Muse Places development fee <b>£225,000</b>
<b>Total</b>	<b>£3,475,000</b>

- 5.16 The values in Table 1 are high level estimates at present and represent maximum values expected. More detailed costs will be developed in line with design development.
- 5.17 Bury Council's JV partner, Muse Places will forward fund design costs associated with delivery of the planning application and RIBA Stage 2 Design (*plus additional planning deliverables*) on behalf of the JV. The Council will, however, need to underwrite these monies which will be reimbursed to Muse Places upon completion of this delivery phase. As such, these monies will not be spent immediately by Bury Council, but Cabinet approval is required to facilitate their under-writing.
- 5.18 The Council will fund demolition and VP activity of which the former will be delivered by Muse Places. This will include early demolition activity (to be planned/phased as part of the design process) alongside activity required to facilitate VP which will be overseen by Bury Council. Funding of this activity will be re-imbursed by the GMCA following announcement of scheme funding in March 2026 (*subject to bid approval*).
- 5.19 It should be reiterated that the GMCA are currently unable to formally assign funding required to deliver the Prestwich Village Regeneration project via a signed Grant Funding Agreement (GFA). The Council and Prestwich JV have been given comfort from the GMCA at both an officer and political level that full

funding will be awarded in the March 2026 round. Until the GFA is signed however, funds committed in the strategy outlined in this report must be considered 'at risk'. This means that in the unlikely event that the allocation is not made by GMCA, Bury Council must find the full cost within its capital programme.

- 5.20 In the absence of other routes to full funding of the project, it is recommended that Elected Members accept this risk and note actions proposed to mitigate this risk as outlined in the 'Assessment and Management of Risk' section of the report (see *below*).

### **Vacant Possession**

- 5.21 The Council will need to oversee and achieve vacant possession (VP) across the entire site, curtailing or transferring existing operations. Planning for this activity is already under development and allowance has been made within the cost plan to deliver the work, including any requirements for investment in buildings or services.
- 5.22 To achieve the tight timescale required to achieve VP at Prestwich and reflecting a tight resource envelope in terms of internal, Council construction delivery resources, the Council will work collaboratively with technical staff from JV Partner Muse to complete the works. This will require the JV to fund a 10% development management fee for Muse activity (a pre-agreed mechanism outlined within the JV).
- 5.23 Required Library facilities will require statutory approval by the Department for Culture, Media & Sport (DCMS).
- 5.24 There is a project plan established to ensure the above meets the required wider timescales of early delivery of the next phase of the project. This is available at Appendix A.

### **Social Value**

- 6.1 The project 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.
- 6.2 There will also be a Prestwich Village Construction Social Value Action Plan (as there is for Phase 1A) that covers the expected outcomes, measures, associated monetary values and delivery mechanisms to ensure that all construction phases meet their stated objectives. Such outcomes and

associated targets will be discussed with the selected contractor and form each action plan that will be part of the contract and regularly monitored.

6.3 Both documents will be in line with the Council's Social Value Strategy.

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### **Links with the Corporate Priorities:**

7.1 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 project 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 project 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 project 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 project will:

- Make sure that everyone's voice is heard via community engagement/consultation at various stages of the development of the project 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 project 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 project 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:**

- 8.1 A full Equality Impact Assessment was completed by a third party as part of planning permission for the Prestwich Regeneration project. This identified some potential temporary negative impacts with mitigations during the demolition and construction phase resulting in reduced or eliminated negative impacts during this phase.
- 8.2 There are no outstanding equalities concerns or considerations at this stage.

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### **Environmental Impact and Considerations:**

- 9.1 One of the project's objectives is to deliver a sustainable development. As noted in the report to the 12<sup>th</sup> July 2023 Cabinet, delivering sustainable developments is now a primary goal for the Prestwich Regeneration LLP. It has adopted Muse Places' Sustainability Strategy which includes a Sustainable Development Brief and Sustainable Action Plan which will be utilised on the project – both making up the Sustainable Development Strategy.
- 9.2 The Planning and Regeneration Statement submitted as part of the hybrid planning application provides summary detail on the environmental impact of the project, including carbon emissions and biodiversity. It states that:



*“The project 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.”*

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### Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
<p><b>Financial</b> – The Council are yet to sign a Grant Funding Agreement (GFA) to secure funds from the GMCA to deliver Phases 1b &amp; 2 of the Prestwich Village Regeneration Project. The Council have been given comfort at a senior level by the GMCA that funds will be assigned in March 2026. This allocation will require completion of milestones highlighted in section 5 of this report. Monies committed in the recommendation above are considered ‘<i>at risk</i>’ until the GFA is complete in March. Should the GMCA funds not be made available, the cost will fall on Bury Council in its entirety.</p>	<ol style="list-style-type: none"> <li>1. The project plan outlined in the report, although challenging – indicates that milestones will be achieved in the timescale scheduled by GMCA.</li> <li>2. Early engagement with planning colleagues has already been undertaken to achieve an efficient route to planning submission.</li> <li>3. Collaborative activity between the JV and Council officers is already on-going regarding the most effective route to market to procure contractor resources.</li> <li>4. Significant comfort has been given to Bury Council and the Prestwich JV from the GMCA in terms of funding availability.</li> </ol>
<p><b>Programme:</b> DCMS approval of required library plans is required to facilitate re-location of the current library to a new (temporary) location. The library must be moved by early March 2026.</p>	<ol style="list-style-type: none"> <li>1. Council officers have already begun early engagement with Civil Servants on this matter.</li> <li>2. Resources from Muse Places LLP (on behalf of the JV) will be used to deliver an accelerated construction timetable at the temporary location.</li> </ol>
<p><b>Delivery</b>– 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>

<b>Risk / opportunity</b>	<b>Mitigation</b>
<b>Delivery</b> – build risk associated with contractor management.	Effective contractor management through regular contract meetings and contract retentions.
<b>Delivery</b> – supplier risk i.e. availability of specialist contractors.	Effective procurement strategy and robust contractual arrangements including due diligence.
<b>Permissions</b> – delay in discharging pre-commencement planning conditions that effect a start on site and during construction i.e. building regulations.	Regular meetings pre-contract have taken place to ensure timescales are met and contact with the relevant authorities will continue during the construction phase.
<b>Financial</b> – increase in costs during construction.	<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>

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### **Legal Implications:**

- 10.1 Legal advice will be provided throughout; there will be a requirement for procurement support to ensure delivery of the procurement strategy alongside appropriate legal arrangements. The report sets out that the required milestones, the Council in underwriting of costs is proceeding at risk at the present time.

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### **Financial Implications:**

- 11.1 The report sets out the reason for the request to underwrite the estimated £3.475m cost of the works required to meet the milestones for the conditions relating to the bid to the GMCA's Growth Fund. The Council's capital programme and related revenue financing costs assumes that the bid will be successful, and the Council will not have to underwrite the £3.475m capital costs which would incur an estimated additional ongoing revenue cost of c£290k, thereby increasing the budget gap, if the GMCA bid is ultimately unsuccessful.

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### **Appendices:**

Appendix A – High Level Project Plan Summary.

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**Background papers:**

- Prestwich Regeneration – Joint Venture (Parts A and B) October 2021.
- Prestwich Village Regeneration – Progress Update and Draft Development Plan July 2023.
- Prestwich Village Regeneration Scheme: Delivery of Phase 1A (Travel Hub) – Legal Structure and Funding Approval (Parts A and B) July 2024.

**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 Project.
CRSTS	City Region Sustainable Transport Settlement – a UK government funding programme to support capital transport projects.
GMCA	Greater Manchester Combined Authority – made up of the ten Greater Manchester councils and Mayor who work with local services, businesses, communities and other partners to improve the city region.
GFA	Grant Funding Agreement – a legally binding contract that outlines the terms under which a funder provides funding to a recipient and responsibilities of the grant recipient in meeting those terms.
PCSA	Pre-Construction Services Agreement – a contract that allows for the appointment of a contractor to undertake pre-construction services in advance of the main Building Contract.
VP	Vacant possession – when a property is delivered empty of people and possessions by an agreed date.
EIA	Environmental Impact Assessment – type of Planning Application.
CoW	Clerk of Works – general oversight and acceptance of completed works.