CABINET

Eastern Gateway – Redevelopment Programme

Report of the Chief Executive – Charlie Parker

Portfolio Holder: Cllr Jim McMahon - Leader

02 December 2013

Officer Contact: Darren Jones – Director of Development and Infrastructure. (ext. 1659)

Purpose of Report

The purpose of the report is to update Cabinet regarding the proposed Eastern Gateway Redevelopment Programme and seek approval for pre-development funding for the first project based on a number of detailed recommendations below.

Recommendations

That Cabinet:

1. Notes the updated information contained within this report.

2. Approves delegated authority to the Director of Infrastructure and Developments, in consultation with the Leader, Chief Executive, Borough Treasurer to make the following appointments where required in order to keep to programme and short list relevant finance/development partners:
   - Project Manager
   - Commercial Manager
   - Technical Consultants
   - Legal Adviser
   - Property Advisers

3. Approves the release of £410,000 for pre-agreement costs allocated from the £1,500,000 Eastern Gateway budget in the Capital Programme. To agree to amend the spend profile of Eastern Gateway budget for the financial year 2014/15 by bringing forward £250k of the budget to the current 2013/14 financial year.
4. Agree that a further report will be brought to a future Cabinet meeting to further advise on any Council contribution requirements following commercial negotiations with developer/funder and tenants. This will include any necessary financial appraisal of all funding options for the Council for approval.
Prince Street Development

1 Background and Summary

1.1 The Oldham Prospectus and the Council Investment Framework identifies the Eastern Gateway as a key area of opportunity and catalyst for complementing the regeneration of the Town Centre.

1.2 The Council team have commenced working up plans to bring forward the comprehensive redevelopment of Oldham Eastern Gateway. The programme has focused upon the range of possible economic benefits that may arise from any development of this strategically important area, including new employment and housing opportunities that may be created, alongside wider socio-economic benefits. BDP have been commissioned to identify such potential development proposals, including a masterplan for the area.

The proposed Eastern Gateway scheme is spread over a number of sites covering the Eastern entrance to the Town Centre at the Bottom of the Moor and the Alexandra Retail Park investment zones (see Figure 1.1). It will involve the reuse of existing buildings and development of vacant land currently owned by others and Oldham Council, including the old bank building and bus depot. The site takes in the new Oldham Mumps Metrolink stop and abuts Yorkshire and Union Streets.

Fig 1.1 Oldham investment zones
A memorandum of understanding has been signed with TFGM regarding the joint aspirations for the area. Property acquisitions are underway and a masterplan for the area has been commissioned.

Potential programme initiatives include new and refurbished retail floorspace (including a destination retail store and supermarket), residential accommodation, office floorspace and showroom / warehouse floorspace, along with a multi-storey car park and park.

It is envisaged that a destination retail/mixed use development will be delivered in the first phase of the redevelopment programme, in order to act as a catalyst to bring forward the rest of the programme in further phases.

The main aim of the masterplan is to develop the eastern approach to Oldham town centre in order to create a new business destination area supported by longer term residential opportunities. In doing so the programme will create a striking gateway to Oldham, through the reuse of existing buildings and vacant land. The initiative also aims to contribute to the wider aims of the Investment Prospectus by both strengthening the main gateways into the town centre, along with enhancing the town centre more generally as a retail and business location.

This proposal is complimentary to the Yorkshire Street Triangle Business Support Initiative already approved by Cabinet. Improvements to Yorkshire Street are key to providing a quality pedestrian link between the Prince Street Development and Spindles Shopping Centre These together with other Town Centre schemes including The Old Town Hall and New Coliseum and Heritage Centre are being coordinated through the Town Centre regeneration team to ensure that projects are brought forward to provide maximum impact and provide a catalyst for further development.

2 The beneficiaries of the Oldham Eastern Gateway scheme will include:

- **Existing and new firms** – the Eastern Gateway scheme will help to meet the needs of existing and new businesses by providing a range of high quality employment space. It will also improve the external perception of the local area and attract additional economic activity by enhancing the retail offer within the town centre. New office accommodation will attract new businesses to the town centre. As a result, the proposals for the Eastern Gateway will help to retain firms in the area and encourage new businesses to relocate to the town and improve GVA

- **Local employees** – the unemployed and under-employed will benefit from the additional and diversified employment opportunities generated through new commercial development. This will also help to attract additional investment and increase economic activity within the local economy. It is expected that economically many of the job opportunities created will be accessible to residents within the more disadvantaged communities of Oldham;
• **Inward investors** – the improvements to the Eastern Gateway will create a new business destination, while complementing the wider investment within the town centre. The enhancements to infrastructure and the physical environment that will come forward as part of the Eastern Gateway scheme, will have a significant positive impact on developer/investor confidence, stimulating further private sector investment.

• **Existing local residents/communities** – the scheme will result in a number of economic, social and environmental benefits for existing residents. For example, it will enable the development of additional housing and provide improved facilities, helping to stimulate social regeneration. Furthermore, the project will improve the quality of the urban environment, through public realm improvements. The end use developments proposed within the scheme will also generate new employment opportunities for residents within the local community; and

• **Potential new residents** – the proposed Eastern Gateway scheme will result in the provision of a number of new homes and will greatly enhance the visual appearance of the area. The improvements in image and the availability of good quality residential accommodation, as well as enhancements to the local environment, will make the area much more attractive to potential new residents, both from outside of Oldham and the City Region as a whole.

3 **Planning**

3.1 A masterplan framework has been commissioned for the area. A consultation strategy will be developed during the next stage of the project. However, it is anticipated that any regeneration programme will be delivered in phases which in turn, will necessitate further consultation.

4 **Consultation**

4.1 A consultation strategy will be developed prior to any planning application being submitted and as part of the ongoing implementation of the various development phases.

5 **Financial Implications**

5.1 This approval will require the re-phasing of the Eastern Gateway budget (total £1,500k) which is currently approved to be spent only in financial year 2014/15. The project will require £250k of this allocation to be brought forward to the current financial year 2013/14. The revenue impact of this will be managed against slippage elsewhere in the programme.

5.2 In the event that the Council decided not to proceed with this project following the pre-development phase, it would be necessary to write back all costs incurred to general fund revenue. This would be a pressure on the Council’s revenue budget and would have to be managed through the monthly revenue monitoring report.
5.3 It is envisaged the ‘Economic Case’ for the project will be concluded in December. Amion Consulting are currently drafting an Economic Impact Assessment for the wider Mumps Area giving potential income generated and jobs created.

6 Legal Services Comments

6.1 External legal support to the in house provision will be required to deliver this Project and the Council’s procedures for appointment will be adhered to. This will ensure all necessary steps are taken/documents are in place to protect the Council’s position and commercial interests. Appropriate specialist advice will be taken to cover State Aid and procurement implications. All work carried out/advice given needs to be governed by and in accordance with the Council’s Constitution.

6.2 Any property transactions will need to be conducted in accordance with the Council’s Land & Property protocols. Any disposal would need to accord with both EU procurement and state aid regulations and Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003. In addition, if any land involved is Public Open Space then the relevant provisions of the Protocols will need to be complied with.

7 Cooperative Agenda

7.1 This report is intended to build upon Oldham Council’s Corporate Plan “Delivering a Cooperative Oldham” (updated, 2013) and in particular one of its key objectives - ‘A productive place to invest where business and enterprise thrive’.

7.2 There are 4 key work programmes within the Corporate Plan that will help achieve this objective:

- Invest in Oldham
- Get Oldham Working
- Destination Oldham
- Campaigning Council

7.3 The recommendations contained within this report are intended to make a significant contribution to the Corporate Plan objectives and key work programmes listed above.

8 Risk Assessments

A risk assessment will be developed in the next stage of the project.
9 IT Implications
   None.

10 Property Implications
   None at this stage. Detailed Property comments will be included in the next report to Cabinet prior to entering into any development agreement.

11 Procurement Implications
   Procurement will support the engagement of specialist advisors in line with Oldham Council CPRs and EU Regulations. Karen Lowes.

12 Environmental and Health & Safety Implications
   None.

13 Equality, community cohesion and crime implications
   None.

14 Equality Impact Assessment Completed
   No.

15 Key Decision
   Yes.

16 Forward Plan Reference
   NEIGH-34-13

17 Background Papers
   None

18 Appendices
   None