

Report to CABINET

Inclusion of Oldham Mumps, Princes Gate into the Town Centre Development Partnership

Portfolio Holder:

Cllr E Taylor – Cabinet Member for Housing and Licensing

Officer Contact: Emma Barton – Deputy Chief Executive (Place)

Report Author: Paul Clifford – Director of Economy

November 2024

Reason for Decision

To include Oldham Mumps, Princes Gate into the Town Centre Development Partnership with MUSE to deliver new homes.

Executive Summary

The report sets out the rationale for the Council to include the Princes Gate site into the Master Development Agreement completed with the Private Sector Partner - MUSE.

The inclusion of the Princes Gate site will deliver around 295 new homes to push forward with the delivery of the town centre regeneration masterplan supported by Brownfield Housing Land Grant secured on the site to help delivery.

Recommendations

To include Oldham Mumps into the Master Development Agreement (dated 11th September 2023) via a Supplementary Agreement to ensure MUSE's obligations and timescales for stratifying the core sites are maintained.

To delegate authority to the Leader, Deputy Chief Executive (Place) and Director of Legal Services to agree and enter into the supplemental agreement with Muse.

To delegate authority to the Leader, Deputy Chief Executive (Place) and Director of Finance to enter into relevant agreements.

Inclusion of Oldham Mumps, Princes Gate into Town Centre Development Partnership

1 Background

- 1.1 Following the completion of a competitive procurement process, in July 2023, Cabinet appointed Muse as the preferred bidder in the role of Private Sector Partner (“PSP”) initially for period of 15 years with an option to extend the arrangement by a further 10 years, subject to agreement at that time. The report outlined 3 key strategic sites and 8 additional opportunity sites including Princes Gate.
- 1.2 Entering into a delivery partnership of this nature is an important step for the Council helping to realise one of the key objectives within the Creating a Better Place Programme, notably the creation of 2,000 homes across a number of strategic sites within Oldham Town Centre.
- 1.3 In March 2024 Cabinet approved the Acceptance of Brownfield Infrastructure and Land Funding Grant for Oldham Mumps. The purpose of this report was to confirm the value of the grant available to Oldham Council and notify Cabinet of the intention to accelerate the delivery of circa 347 new homes at this location with Council’s Private Sector Partner – MUSE.’
- 1.4 The key milestones for delivery are:
- Planning Application submission – Dec 2024
 - Planning Consent – May 2024
 - Start on Site and first grant draw down – August 2025
 - Final grant draw down – 31 December 2025
- 1.5 The MDA, dated 11th September 2023, expressly provides the opportunity for further opportunity sites to be included. Princes Gate was not expressly named and referred to in the MDA as an additional opportunity site, however the MDA does contain a mechanism to include additional land owned by the Council within the scope of the Project (as defined in the MDA). Muse have confirmed that they remain committed to prioritising delivery of the Core Opportunity sites (former Leisure Centre, Civic Centre and Magistrates Court Sites) and has the resource and funding to deliver additional sites. The Princes Gate site was not included in the MDA at the time due to on-going contractual issues with third parties (Lidl) that have now been resolved and the site is unincumbered.
- 1.6 In accordance with the MDA and following receipt of Muse’s initial outline proposals for Princes Gate, the Council is minded to include Princes Gate within the scope of the Project, subject to the parties agreeing a deed of variation which varies the MDA to include Princes Gate and which: decouples Muse’s obligations and timescales for satisfying the Phase One Phase Conditions and the Princes Gate Phase Conditions in order to maintain a focus on the Core Sites (as well as Princes Gate) and is making a formal request pursuant to clause 36.2 of the MDA for inclusion of Princes Gate within the scope of the Project as Additional Council Land .

2 Current Position

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- 2.1 For Princes Gate, a high-density scheme providing around 295 units across 3 separate blocks is the likely option from a planning policy and regeneration perspective. The scheme design can be found at Appendix 1. A rental tenure approach, including the optimal combination of Build to Rent, Affordable Rent and Social Rent is preferred. The percentage mix is being worked up to optimise viability, fundability and any wider 'regeneration premium', subject to planning policy and the requirements of each grant funder (in the first instance GMCA).

It is anticipated that a Planning Application will be submitted in early 2025 with a start on site programmed for Q4 2025.

3 **Options/Alternatives**

3.1 Option 1 - Not to include Princes Gate into the Development Partnership

The Council could choose to not include Princes Gate into the MUSE Partnership. This would mean that the BHL Grant secured on the site would be at high risk because the timescales attached to the grant would not be met. It would also mean that a separate procurement exercise would need to be undertaken and given the viability issues associated with the site, it's unlikely a suitable and credible development partner would be secured.

Option 2 - Include Princes Gate into the MUSE Partnership

The MDA includes specifically includes a mechanism to include additional sites that can be added to the partnership, and this is the quickest option to deliver new homes.

4 **Preferred Option**

- 4.1 Preferred Option – Option 2 is the preferred options. The site is part of the approved project with the Council's appointed Private Sector Partner which is a key component of the Creating a Better Place programme.

5 **Consultation**

- 5.1 The Leader and Lead Member for Decent Homes have been consulted and are supportive of the proposals.

6 **Financial Implications**

Covered in the Part B Report.

7 **Legal Implications**

Covered in the Part B Report.

8. **Procurement**

Covered in the Part B Report

9. **Equality Impact, including implications for Children and Young People**

- 9.1 No

10 **Key Decision**

10.1 Yes

11 **Key Decision Reference**

11.1 ESR-23-24.

12 **Background Papers**

12.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : Town Centre
Name of File : MUSE
Records held in Economy Department
Officer Name : Ben Hill
Contact No : 0161 770 5261

13 **Appendices**

1 - Princes Gate Scheme Design