

Report to CABINET

Princes Gate – Development Update (St Mary's)

Portfolio Holder: Councillor Arooj Shah – Leader and Cabinet Member for Growth

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

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March 2026

Reason for Decision

To provide an update on overall scheme progress and to obtain approval for the Council to enter into the necessary Grant Funding Agreements and to complete all other necessary agreements/documentation to allow the development of 331 new homes at Princes Gate to commence on site.

Recommendations

- To grant delegated authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Building a Better Place Oldham, the Director of Finance and the Borough Solicitor and Monitoring officer to agree final terms and to enter into a Grant Funding agreement with Muse in respect of the Community Regeneration Partnership grant funding as outlined in the Part B report
- To grant delegated authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Building a Better Place Oldham, the Director of Finance and the Borough Solicitor and Monitoring officer to agree final terms and to enter into a Grant Funding agreement with Muse in respect of the proposed Council match funding contribution as set out in the Part B report
- To grant delegated authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Building a Better Oldham, the Director of Finance and the Borough Solicitor and Monitoring officer to agree final terms and to enter into a Grant Funding agreement with Legal and General Affordable Homes in respect of the Council affordable housing contribution (if required) and as set out in the Part B report, which will ensure that the new homes are let at a social rent level.

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- To grant delegated authority to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Building a Better Oldham, the Director of Finance and the Director of Legal Services and Monitoring officer to enter into any associated documentation or agreements that may be required in connection with the above matters and to enable a phased drawdown of the site, which will result in a start on site at the earliest opportunity.
 - To grant delegated authority to the Director of Legal Services or his/her nominees to formalise any necessary legal requirements including signing and/or sealing any documentation required to give effect to the recommendations and/or delegations in this report.
 - To note that following consideration by the Place, Economic Growth and Environment Scrutiny Board on 19th March 2026 the report is exempt from call-in, under Rule 14 of the Overview and Scrutiny Procedure Rules in the Constitution.

Princes Gate Development Update

1 Background

- 1.1 By virtue of a previous Cabinet Report considered on the 24th March 2025, Council approval was obtained to accept a Community Regeneration Partnership Grant funding offer from MHCLG.
- 1.2 Delegated authority was granted to the Deputy Chief Executive (Place) in consultation with the Cabinet Member for Building a Better Oldham, the Director of Finance and the Borough Solicitor and Monitoring officer to oversee and approve: the expenditure of grant funding for the selected projects, the onward award of grant and any associated partnership or programme activity. The policy intervention list for Grant Award Projects, identified by MHCLG for Oldham, covered seven areas of activity, which included Town Centre Housing Delivery. This consisted of a specific capital contribution to accelerate development and to support delivery of the four key Town Centre housing sites, including the Civic Centre, former Magistrates Court site, former Leisure Centre site, and Princes Gate.
- 1.3 All of these key sites are being progressed by way of the Council's previously approved long-term Strategic Delivery Partnership with Muse, which resulted in a Master Development Agreement (MDA) between the parties being entered into in September 2023. Under the terms of the MDA Muse were required to progress a comprehensive Development Framework for the Town Centre, which was endorsed by Cabinet in November 2024 with planning approval being granted on 2 July 2025.
- 1.4 The Framework included outline planning approval to bring forward up to 231 new homes on the former Leisure Centre and 219 at the Magistrates Court sites, plus hybrid approval to deliver in the region of 838 new homes on part of the Civic Centre, plus a full detailed consent to deliver 331 new homes at Princes Gate.
- 1.5 In parallel with the Development Framework being progressed, Cabinet approval was granted in January 2025 to proceed with the formal inclusion of the Princes Gate site into the MDA with Muse, as a Core site (and as permitted under the terms of the MDA), given that the Council had not been in a position to include the site at the time the original strategic partnership agreement was being entered into. This process has therefore now been formally completed by virtue of a Deed of Variation to the MDA, which was completed in March 2026.

2 Current Position

- 2.1 Given the availability of the site at Princes Gate and the awarding of detailed planning consent, this location was selected as the preferred site to commence delivery of new homes in the Town Centre and an application for the required viability gap grant funding was therefore drawn up, in conjunction with Muse, and submitted for consideration to the GM Good Growth Fund in October 2026. The partners were delighted to hear in December 2026 that a provisional award of GMCA grant funding to the project had been approved (in addition to the MHCLG grant already secured), plus an offer of GMCA patient capital equity, which in combination means that the scheme is now in a position to proceed.
- 2.2 As a result, it is anticipated that the Council will need to enter into the following funding agreements to enable the scheme to progress to a start on site at the earliest opportunity: -

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- To enter into a Grant Funding agreement with Muse in respect of the Community Regeneration Partnership grant funding as outlined in section 1.2 of the report and set out in the Part B report.
 - To enter into a further Grant Funding agreement with Muse in respect of the proposed Council match funding contribution, as set out in the Part B report.
 - To enter into a Grant Funding agreement with Legal and General Affordable Homes in respect of the Council affordable housing contribution (if required) and as set out in the Part B report, which will ensure that the new homes are let at a social rent level.

- 2.3 Affordable/Social housing proposals – due to the increased costs of delivering Social Rent homes (compared to Affordable Rent), it is proposed that the Council allocates capital receipts that have been received from the sale of properties sold under the Governments Right to Buy Policy. These must be used to provide further affordable housing within the borough, and if not spent within a specific period, they are taken by the Treasury. The additional contribution (if required) will mean that all 75 homes in Phase 1 will be let at the more affordable Social Rent level.
- 2.4 Development Update – The detailed planning consent obtained for Princes Gate comprises of a new neighbourhood of up to 331 homes (set across 3 residential blocks to be delivered in two phases), including 75 new homes in Phase 1 to be let at social rent, alongside mixed-use ground-floor spaces intended to support activity in the surrounding area.
- 2.5 Since obtaining consent in July of last year, Muse have been extremely proactive in going out to market to secure both a preferred main contractor and a residential delivery partner for Phase 1. In addition, an enabling works package has been agreed with a local contractor and is set to commence shortly. Muse have also negotiated with statutory undertakers and relevant third parties, which essentially means that work could start on Phase 1, as soon as the necessary grant funding and any other required legal agreements have been entered into.

3 Options/Alternatives

- 3.1 To not enter into the Grant Funding Agreements – This would mean that the scheme remains unviable, and MUSE would not be able to deliver it. It would also cause reputational damage to the Council in the event that the already secured GMCA Grant was not drawn down. It is highly likely that the grant would be re-allocated outside of the borough.

The council could also decide not to contribute towards the Socially Rented Homes, which would mean that the 75 new homes in Phase 1 would be let at Affordable Rent levels only.

- 3.2 To enter into the Grant Funding Agreements – This option would mean that Muse, as the Council's selected strategic partner, would be in a position to deliver the 331 new homes at Princes Gate, as the first phase of residential development in the town centre. The homes form an integral part of the Council's Creating a Better Place Regeneration Programme.

4 Preferred Option

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- 4.1 To enter into the relevant Grant Funding Agreements set out within the report and at Para 3.2 is the Preferred Option for the reasons outlined above.
- 5 **Consultation**
- 5.1 This report will be shared with the Corporate Property Board and the MUSE Partnership Steering Group.
- 6 **Financial Implications**
- 6.1 Contained within the Part B Report.
- 7 **Legal Implications**
- 7.1 Contained within the Part B Report.
8. **Procurement Implications**
- 8.1 No immediate procurement implications in this report. The team will continue to provide procurement support to the development programme when required.
- Tom Pyne – Head of Procurement
- 9 **Equality Impact, including implications for Children and Young People**
- 9.1 N/A
- 10 **Key Decision**
- 10.1 Yes
- 11 **Key Decision Reference**
- 11.1 RBO-18-25
- 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 : [insert]
Name of File : [insert]
Records held in [insert] Department, [insert address]
Officer Name : [insert]
Contact Email: [insert]
- 13 **Appendices**
- 13.1 None
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