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1.0 Introduction

1.1 This Report provides a delivery strategy for the Farnworth Masterplan, both for the Masterplan programme as a whole and, in greater detail, for the seven identified Masterplan Projects:

- Project One – Market Precinct/Markets Site/Saddle Public House Mixed Use Development
- Project Two – Market Street/Brackley Street Community Hub
- Project Three – Housing Development on Public/Private land
- Project Four – Extension of the Leisure Centre and Adjacent Sites
- Project Five – Public Realm
- Project Six – Shop Front/Business Premises Improvement Scheme

1.2 Delivery advice considers the case for each project (market based or practical/financial, depending on the scope of the project), key issues around delivery, relevant options for bringing forward the project, and the Masterplan Programme overall, and options for project funding.

1.3 Section 9.0 provides a phasing strategy, with justifications, for the projects.
2.0 Overall Delivery Strategy

Introduction

2.1 This section briefly sets out an overall delivery approach before moving on to consider project specific arrangements in the following Sections.

Development Partnership Options

2.2 The most likely delivery model for the Intervention Area will be a joint venture partnership between the Council, other landowners and one or more developer partners. The public sector (primarily the Council) would provide leadership, support through the planning processes, marketing and land assembly, and bringing other landowners into the partnership. The private sector would provide other investment and develop the properties. Profits would be shared accordingly. Such a ‘Joint Venture’ partnership can take several forms as outlined in Table 1.

Table 1 – Joint Venture Arrangements

<table>
<thead>
<tr>
<th>Type of Partnership</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Partnership</td>
<td>Normally a short-term arrangement where the parties enter into a contractual arrangement where one party, usually the developer, will deliver. It would relate to the most straightforward developments.</td>
</tr>
<tr>
<td>Joint venture through formation of a limited company formed through share issue</td>
<td>A common arrangement where each party will put in an element of cost and risk, and the return reflects the share. The Council may put in land and/or capital, the developer will often meet development costs. The arrangement may see proceeds distributed in different ways. This could be a revenue share, or a share on sale of the investment. The party taking the greater level of risk will normally have first call on the profit.</td>
</tr>
<tr>
<td>Company limited by guarantee</td>
<td>Tends to be more for non-profit making arrangements, and can introduce a number of partners to the company. This arrangement is more likely to be suitable for marketing and promotion of regeneration schemes rather than a joint venture to deliver development.</td>
</tr>
</tbody>
</table>

Source: BE Group, 2019

2.3 However, given the scale and variety of projects proposed, there is a question about the scale of partnership possible. A range of options exist:

2.4 Joint Venture Partnership Over the Whole Masterplan Area

Ideally development would proceed through a single partnership for all development phases, as is happening at Church Wharf, Bolton. That private developer would be project leader in terms of ongoing masterplanning/planning, financing and delivery. It would create a single plan and timetable for delivery. The Council would support
generally, and contribute its land holdings, other agreed land assembly, and other funding secured (described further in the project-specific sections below). The landowners, including the Council, would submit their land at an agreed value and the developer would invest funds in return for a share of the capital receipt resulting from development.

2.5 A single delivery approach has a range of advantages. It would minimise Council leadership responsibilities, it would allow a common approach to development funding in which less profitable schemes can be cross funded and, once the agreement was signed at least, commit the developer to progressing the whole agreed scheme and not ‘cherry picking’ the most profitable elements. However, a single partnership may ultimately prove unworkable. Given the viability risks associated with some projects (discussed further below), getting a developer to commit to the full programme could prove challenging. A number of projects can be considered aspirational and subject to the decisions of partners. Finally, other partners, including housing associations such as Bolton At Home, may wish to acquire and develop sites separately, to their own timeframe.

2.6 Partnership over Brackley Street/King Street Area only
One alternative is for any partnership to focus on the core area of Brackley Street/King Street, as a single development. This area contains the highest profile projects and has the Council as the prime landowner, simplifying any Joint Venture Partnership and ensuring Bolton Council a degree of ongoing control over the process. Development costs here are likely to be high, but agreements could still be reached to allow capital receipts generated from developments outside this core area to cross fund the project. Developers may find the Community Hub an unattractive element of this programme area however, given its high likely costs and low potential returns of the project. The area also contains the most complex projects which private partners may be unwilling to lead on.

2.7 Project/sub-area partnerships only
If no overarching partner can be secured then development will need to proceed on a project by project basis, with development partners tendered for and brought in to deliver individual schemes only. This is clearly the most challenging option for the Council as it would have to retain overall leadership and responsibility for Masterplan Area change, and likely have a stronger role in the land assembly/site preparation aspects of the development, with tasks including engagement with landowners,
planning for business relocation, outline planning applications and key funding assembly. Strategic infrastructure and public realm investments, which could not be brought into single projects would also be Council responsibility. Finally, there is a risk that developers will ‘cherry pick’ the most profitable projects, while others are not progressed. However, given the diversity of project options, incremental delivery of individual small projects, released to developers as and when funding packages and market demand is supportive, may prove the most realistic and achievable option. It is how many Town Centre Masterplans have ultimately been brought forward, for example in nearby Chorley.

2.8 Development Manager

A final option would be to bring in a development partner in a managerial role. That partner would provide overall programme leadership, strategic development management and marketing the developments. However, under its leadership, funding and project development would be progressed by the Council and other development partners. The advantages of such an arrangement would deliver a high-profile partner for the Masterplan Area, with experience in delivery and in marketing such opportunities to occupiers. The reduced need for such a partner to commit their own finance to the project would make it more attractive to a range of developers. However, ultimately a large amount of day to day responsibility for funding and project development would remain with the Council and other partners.

2.9 Ultimately, a Whole Area Partnership would be most desirable for the Council, as it is most likely to secure delivery of the whole Masterplan Programme, while limiting Council responsibilities and commitments. However, given the complexities and constraints of the Masterplan Area, a more incremental approach is more likely, with the Council retaining an overarching leadership role in areas such as planning, land assembly, land sales and funding assembly. Securing a Masterplan-wide partner will be dependant on being able to demonstrate a constantly viable Masterplan Programme, of a high profile nature (including a good profile at the Greater Manchester level) and with strong buy-in from relevant public and private partners.

2.10 To ensure a favourable outcome in terms of partnership, the Council should commence marketing the opportunity immediately to see if a Joint Venture Partner can be attracted. This marketing could be informal at first and even if not successful in attracting a partner would generate feedback as to what developers feel needs to be addressed for the scheme to be of interest, and what elements of the Masterplan can
and cannot be delivered as a single Joint Venture scheme. Later, subject to initial responses, a more formal tendering process could be undertaken to secure a partner.

2.11 The main programme actions, which would need to be undertaken to commence delivery, are shown in Table 2 below. Project specific actions are listed in the following sections.

Table 2 – Masterplan, Initial Programme Tasks

<table>
<thead>
<tr>
<th>Development Phase</th>
<th>Partners</th>
<th>Main Actions</th>
</tr>
</thead>
</table>
| Initial Actions   | BC, development partners, Landowners, Homes England, Greater Manchester Combined Authority | - Engage with key private sector landowners, to identify their issues/aspirations, particularly in terms of land values, and the impact these may have on project viability
- Complete Financial Appraisals, to identify programme/project viability and value gaps/areas of concern. Sensitivity testing as to revisions in development mix/cost savings which may address those gaps without major funding support
- Marketing of the opportunity at the Greater Manchester level, i.e. with the Manchester Mayor, to increase Masterplan profile, securing strategic support, funding options and increase the scheme’s attractiveness to developer partners
- Engagement with Homes England and GM Housing Investment bodies to determine their realistic level of involvement, financial support
- Subject to the above, public funding options will need to be identified and progressed, as they become available. Options for project specific funding are discussed below
- Informal marketing of the opportunity to developer partners and occupiers gauging interest and identifying barriers
- Economic development, planning, legal, finance officers, the Council Executive and members to undertake a budgeting exercise to identify and plan resource options for the public sector’s role in future change. This will need to include commitments of officer time and identification of responsible officers. Budget commitments to be made wherever possible
- From the above policy decisions on a preferred approach for delivery need to be made, in terms of the scale/scope of partnership desirable/possible and level of public sector funding and time to be committed
- Consider production of a detailed Development Brief giving clear guidance on design, layout, mix of uses, etc. to developer partners, but allowing some flexibility for an evolving market
- Make commitments on public realm investment and apportion responsibility for funding and delivery, between projects
- Subject to feedback on the above move to a more formal tender for Joint Venture Partner(s). Progress and appoint, depending on response. If negative response, move to project specific partnerships, as appropriate
- Ongoing market testing to determine future demand and the ongoing interest of potential occupiers and developers. Further marketing should particularly be undertaken when more detailed design drawings have been produced which may attract the interest of a greater range of occupiers. Options to be refined, if required, following market testing
- Seek an Outline Planning Consent for the scheme as a whole, to establish wider development principles
- Funding bids to be made at appropriate times. |

Source: BE Group, 2019
3.0 Project One – Market Precinct/Markets Site and Saddle Public House Mixed Use Development

Overview

3.1 Mixed Use development of some 3,300 sqm, likely mixing commercial and residential uses, incorporating the presently vacant Markets Land, off King Street.

The Case for Change

3.2 The second retail centre of Bolton Borough, Farnworth has a strong convenience shopping offer, and a modest comparison offer, plus a range of services. The real market gap, however, is for hot food and other leisure uses. Food is currently provided at a range of pubs, focused along Higher Market Street and of varying quality, plus several takeaways and bakeries. The town thus lacks both a daytime food offering, which could bring more consumers into the centre, boosting trade and footfall, and an evening economy offer, to continue trade into the evenings.

3.3 Evidence from baseline research is that the town is generating modest interest from national food chains, including pub/restaurant and coffee shop operators (Marstons and Pret a Manger). That interest will not be realised without a property offer to support it and other national operators indicated that, was an appropriate property scheme brought forward (at least to advanced planning stage), they would also consider investing in Farnworth. Stakeholders indicated that the current modest market may be a function of a lack of modern supply rather than demand and that if modern space is brought forward it can be filled. Farnworth is, and always will be, in the shadow of Bolton and ultimately Manchester in terms of large-scale retail and leisure activity. However, experience in other smaller Greater Manchester Towns, such as Walkden, Swinton and Prestwich is that such settlements can still provide reasonable modern leisure offers, in their own right, and relative to the size of the settlement, with appropriate property provision.

3.4 Another likely growth area is private gyms. Farnworth has recently attracted one gym chain and baseline research identified interest from another (energie). Gyms will take flexible space in a diverse range of Town Centre properties and gym chains move into towns with existing gym facilities and compete with them on price. The disadvantage
is that budget gyms are limited in the rental levels they are willing to pay, usually not more than £108/sqm (£10/sqft).

3.5 House prices and rents in Farnworth are unremarkable, and prices/rents have seen only modest recent growth. However, there is a strong, well established local rental market, currently focused on the existing terraced stock and achieving rents of £450-550 pcm. Stakeholders indicate that the present low-key market is a function of the lack of quality supply rather than demand and that thus there is an opportunity to invest in and upgrade the local market. Evidence for this is found in recent investments in new housing in Farnworth, made by housebuilder Gleeson (MacDonald Park, MacDonald Avenue and Lorne Court, Lorne Street), albeit for family homes. Both schemes are performing well, with Lorne Court now sold out, achieving prices of £130,000-135,000 for three bed homes.

3.6 With an established, albeit budget, flat offer and a strong existing rental market, Farnworth could support apartment developments. At present, however, core demand would likely focus on private renters and more affordable markets. Interest from housing associations, including Bolton at Home, and developers of older persons housing was also noted. Building an owner-occupier apartment market will take time however and need to form part of a wider programme of investment to boost the perceptions of Farnworth as a place to live, work and spend time. Again, this is something that has been achieved in Salford towns of comparable scale and Farnworth should look to match the growth of its neighbours. An improved leisure and evening economy would be one useful aspect of this and the Market Precinct/Markets Site, Saddle Pub site provides one location where that can be achieved.

3.7 It should finally be noted that it is not assumed that student housing will form an extensive part of any development. While Farnworth includes both further and higher education facilities, these are of a relatively small scale and understood to be well served by existing facilities in Bolton. Additionally, the plans of the University of Bolton, and its partners, would see large scale delivery of student housing in the Cheadle Square area of Bolton Town Centre, and ultimately on neighbouring areas of Moor Lane/Spa Road. These plans represent a key element of Bolton’s future regeneration plans and the smaller scale growth opportunities of Farnworth will be unable (and do not need to) compete with them.
Delivery Approach

3.8 Development phasing should be kept flexible. It is possible that a developer would want to deliver the scheme in a single phase to provide maximum density of housing/commercial space and the strongest capital receipt. Also, to avoid leaving adjacent land vacant and unattractive for a long period. However, there will also be a desire to avoid oversupplying the market with residential and commercial space. Thus, the scheme could also be delivered in two phases. Development in the west, on Site E could be delivered first. This would be followed by development south of the Bus Station, where some clearance is needed (Site F). Site F is also identified as a location for the Community Hub development, and thus Site F would be delivered to reflect the timeframe for that use. This is discussed separately as Project Two.

3.9 This scheme occupies the most prominent site in the Town Centre, land which is largely unused at present. Its development would thus be an important first step in the Town’s regeneration, signalling to the community, developers and occupiers its growth potential. Thus, this project should be prioritised as an ‘Early Win’, with delivery in a five-year timeframe.

3.10 The Council is now site landowner, having secured the bulk of the land from St Modwen, and being at/near completion to acquire the Saddle Pub site from Trust Inns. Once ownership is secured, then Bolton Council will be able to drive forward development. It would tender for a developer partner for a Joint Venture scheme. There are several North West developers with experience in this field, including Orbit Developments and Seddon. Private developers would generally expect to acquire land (either up front or as part of a Joint Venture deal) freehold and with Outline planning consent in place. Marketing would need to emphasise the mixed-use and (potentially) housing-led nature of the scheme, to differentiate it from the earlier retail/leisure led proposal here.

3.11 The Council should remain flexible about the scale, density and type of mixed-use space proposed here. The developer partner will independently review financial viability and seek a use mix that delivers the best return. The Council may also need to show flexibility on the scale of receipt it secures for releasing the land, although subject to this flexibility, there is no reason why a profitable scheme cannot be delivered here.
3.12 The Council, and its partners should also be actively marketing space, both existing and proposed to potential occupiers. Clearly any high-profile pre-lets which can be secured will prove scheme viability and make it attractive to potential partners. If Community Hub is progressed on Site F, this would provide a strong anchor for the scheme and guaranteed tenancies, again increasing project viability and desirability.

3.13 In terms of any housing in the scheme, one way to increase scheme viability and desirability would be to secure a housing association, or other specialist provider, as a guaranteed occupier for the building. In this regard, the interest of Bolton At Home in delivering a development here is noted, as is the requirement for affordable housing, older people’s housing, shared ownership and other specialist options in Farnworth. While these needs should not be ignored, there is also a need to grow and develop the private housing market. Housing association and other specialist housing providers will normally pay less for land than private housebuilders, reducing returns and may struggle to deliver a complex mixed-use site such as this. For these reasons it is recommended that this site should be openly tendered to the full range of possible development partners.

3.14 One question to answer will be whether the scheme will take in and redevelop the retail frontage of Brackley Street. The Preferred Option, as currently envisaged, would take in 13 tenanted shops on Site E, three on Site F (plus any tenants that remain in the Market Precinct at the time of development, one assumed at this time). The advantages of developing the frontage would be:

- Providing commercial uses with a strong frontage onto the prime retail street, improving prospects of attracting strong leisure and particularly retail tenants
- Introducing a residential community directly onto the prime shopping street
- Helping to build trade and footfall on Brackley Street
- Improving the physical and design quality of the retail offer on Brackley Street, removing some smaller and lower quality shops

3.15 However, achieving this would present several challenges:

- *The need to buy in 16-17 leases* – Although acquisition of leases could be timed to lease breaks, in some cases, the expense of acquiring leases and relocating businesses would be a sizable additional cost for a development of this size, impacting on viability. The Council has experience in such mass acquisitions in
Bolton Town Centre and would likely be called on again to undertake site assembly in advance of any developer investing in the scheme

- **Impact on Town Centre Vitality/Viability** – Removing 16-17 retailers, 40 percent of the businesses on Brackley Street, would have a sizable impact on the vitality and viability of Farnworth. In time, this could be partly offset with an expanded offer in the new buildings, however, the commercial element of the buildings is expected to be leisure and hot food focused, rather than providing new A1 retail.

- **Relocating and Retaining Businesses** – There is no available space in Farnworth, and little in Bolton generally, to which up to 17 mostly retail businesses could be relocated. Phasing of the two blocks could provide space to transfer businesses across, before the second block was redeveloped. However, it is unclear if the new space could support all 17. Also, many of the businesses may be unwilling or unable to pay higher rents in the new build space. Thus, many occupiers would likely be lost to the Town. Additionally, simply transferring existing tenants into the new commercial space would not generate new revenue streams and capital receipts or broaden the Town’s offer. The amount of space which could be offered to new, higher value operators would be reduced.

3.16 The main project specific actions, which would need to be undertaken to commence delivery, are shown in Table 3, with options shown with, or without acquisition of the Brackley Street frontage. These would be in addition to the wider programme actions of Section 2.0.

### Table 3 - Project One, Action Plan

<table>
<thead>
<tr>
<th>Option</th>
<th>Partners</th>
<th>Main Actions</th>
</tr>
</thead>
</table>
| Preferred Option – With Redevelopment of Brackley Street frontage | BC, development partners, Relevant existing retailers, potential occupiers | • Completion of land acquisition process, supported by financial appraisals as required  
• Plan for land assembly, investigate costs and consequences  
• Undertake initial discussions with tenants, identifying prospects for acquisition and any barriers to purchase  
• Review scheme viability in light of the above and identify value gaps  
• Engagement with other stakeholders to identify options for funding and realistic options for drawing in that funding, including private finance options  
• Funding bids to be made at appropriate times.  
• Detailed research to be undertaken on:  
  • Architectural design  
  • Engineering and other physical research  
  • Delivery and financial planning of changes.  
• Plan for tenant relocation within the Town Centre, where possible  
• Marketing of opportunities to potential occupiers  
• Decisions made on whether Community Hub will form part of the scheme (See Project Two)  
• Seek Outline Planning for the scheme  
• Tender for development partner  
• Review tender responses and appoint development partner |
3.17 If a Joint Venture is assumed as the way forward then core funding would come from private sector finance, with the public sector as (assumed) landowner contributing land and associated support. However, the capital costs of this scheme are high, if the acquisition costs of the land from St Modwen and Trust Inns are included. If the frontage shops of Brackley Street are incorporated into the scheme, then costs will include acquisition of up to 17 shop leases.

3.18 In later scheme development, the developer/housebuilder partner will review the development mix and density/scale, to endeavour to maximise returns and ensure viability. Also, to look to secure an anchor tenant for ground floor space to reduce commercial risk (discussed above) and, possibly, an RSL tenant to de-risk the housing scheme in a similar way. Flexibility will be required from all parties, to secure a scheme that is deliverable with the minimum of public intervention. This would likely mean changes in the scale and density of housing on the site. Assuming a viability gap remains, then the following funding options can be considered:

- **Direct Council Investment** – If the Council is the site landowner, by the time of advanced development negotiations, then the simplest way it could support development would be to make the land available for development at nil or reduced costs. Alternatively, or in addition, the Council could make a direct investment in the project, to allow development and with the assumption of some long term return (dependant on the level of gap to be filled, negotiations with development partners, etc.). In addition to addressing viability issues, direct Council investment would show confidence in, and support for, the
project, encouraging developer and occupier involvement. In this regard it is understood that Bolton Council has a fund of some £12 million, to be invested in town centre projects in Farnworth, Horwich, Kearsley and Little Lever, with a likely emphasis on Farnworth. As the core project for revitalising Farnworth Town Centre, this would be a logical place to focus such spending. This could be supported by the Council’s Prudential Borrowing powers, borrowing against future Business Rates growth from this and other projects.

- **Head Lease/Income Strip** – Relating to the commercial aspects of this project, Council bodies would support the scheme by agreeing a long term funding arrangement with one of the major financial institutions known as an income strip. The process is:
  o The Council agrees to take a long lease of at least 35 years on a non-assignable basis on some or all premises. Rents would be fixed and subject to annual increases linked to the Retail Prices Index, often with a cap or collar arrangement. At the end of the lease period the public sector would have the option to acquire the freehold for £1.
  o The strong local government covenant would help attract institutional investors such as pensions funds on a lower yield and longer payback terms which makes the scheme more affordable for the developer and encourages development even with abnormal costs.
  o The Council subleases the space to occupiers and takes the resulting rental return. The advantage to the public sector is that they secure revenue generating assets and will benefit from future rental growth which will increase scheme profitability, against the long lease payments, over time. The risk is that the Council would be assuming responsibility for the scheme, including maintenance liabilities and would need to pay long lease rents even during periods of unit void.

- **Future High Streets Fund** – Commenced in December 2018, the aim of the Fund is to “renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability”. Operated by the Department of Communities, Housing and Local Government it aims to support town centres which are facing significant challenges, but which also exhibit high levels of social and economic activity, that contain a variety of uses and functions and that act as important service centres for extensive catchment populations. This clearly applies to Farnworth. Funding will be made available for one key intervention, or a series of strongly related interventions, subject to a strong business case. Areas of investment include:
Investment in physical infrastructure

Acquisition and assembly of land including making improvements to the public realm

Improvements to transport access, traffic flow and circulation in the area

Supporting change of use including (where appropriate) housing delivery and densification

Supporting adaptation of the high street in response to changing technology.”

Again, all areas of relevance to Farnworth. The Fund will contribute up to a maximum of £25 million to each successful place. However, a range of project sizes will be funded, many of which will be in the region of £5-10 million per town centre. As such we do not expect to allocate that full amount to each area. Projects will be co-funded at by the public and private sectors and this will be taken into consideration as part of the assessment of projects. Practically, there will be:

- There will be two rounds of the Fund, both with a two-phase application process
- Phase 1 of application process: this is an Expression of Interest stage assessing the need for funding, nature of the challenge and the vision for the future of the town centre. The deadline for Expressions of Interest is 22nd March 2019, with announcement of successful Expressions by the Summer
- Phase 2 of application process: for those who pass to Phase 2, there will be an amount of revenue funding available to work up project proposals. Funding decisions will be based on project plans and business cases, submitted between Late 2019 and Spring 2020
- In the first round of the Fund, projects which are ‘shovel ready’ may be fast-tracked for funding.

3.19 Funding specifically for housing development is discussed in relation to Project Three below.
4.0 **Project Two – Market Street/Brackley Street Community Hub**

**Overview**

4.1 Delivery of a Community Hub, to include some or all the following: Council Services/Offices, Health Centre, Community Forum, private office tenants, Café. Preferred site for this is Site F, north of Brackley Street and south of the Bus Station.

**The Case for Change**

4.2 The rationale for co-locating services in a new Farnworth Community Hub includes:

- Efficiency in the use of assets and reducing costs through bringing services together in one place. This includes both operational and staffing costs, avoiding duplication of some roles, such as receptionists, IT services, etc.
- Supporting a more local and devolved approach to service delivery, ensuring Farnworth residents enjoy direct access to services and avoiding overconcentrating services into Bolton Town.
- Although some existing Community Hubs are ‘themed’ in terms of the services they offer—employment, health, cultural, etc.—In practice, most are multi-purpose, and their offer cut across areas such as employment support and advice, adult learning and skills, culture, digital access, and providing community space, to maximise the benefit offered by the property.
- Promoting community involvement and enabling communities to take action in their local area through providing physical spaces and the connections to start up new activities and services and potentially direct community partnership in the delivery and operation of the Hub. Overall, a Hub can be more responsive to community aspirations over dispersed services.
- Providing services in a more accessible and seamless manner for residents, including making it easier to signpost to other sources of support.
- Providing modern, flexible service space which can be adjusted, over time, to meet evolving community needs.
- Reinvigorating service offers. Community Hubs do not just allow services to be consolidated, but provide opportunities to refresh them through investment in new physical assets (supported by operational cost savings), longer opening hours and greater community interaction (supported by shared staffing and new
interaction spaces), new service delivery partnership, new ‘One Stop’ technology for service delivery and more diverse and engaging roles for front line staff

- Co-located staff can also offer mutual support, and deal with more challenging situations together
- Linked to the above, opportunities to attract new service users and a wider cross section of the community through more diverse services. Helping more vulnerable users to discreetly access other services, avoiding the need for people to be sent elsewhere, and supporting self-help through the range of advice on offer.

**Delivery Approach**

**Introduction**

4.3 There are two main models for community hubs:

- Community hubs with a public sector focus – run by a local authority, housing association or other public sector organisation, bringing together different services under one roof. A positive impact can be helping to encourage more integrated ways of working between diverse organisations and sectors
- Community hubs run by community organisations – with different projects, activities and services, often run with a high level of involvement from the local community.

4.4 Given the services initially proposed for this Community Hub – Council Services (including some currently at Farnworth Town Hall), College and other education services – the former model is assumed. The expense and complexity of the project, discussed further below, also make a community led facility unlikely.

4.5 A diverse range of services can be accommodated in Community Hubs, including:

**GP/Health Centre**

- Access to health and social care information and advice (public health, or VCS organisations)
- Signposting to specialist services
- Group activities for the community.

**Employment**

- Access to jobs and employment support
• Job Centre Plus
• Skills development programmes/training
• Flexible workspace/start up space
• Enterprise hubs
• IT access.

**Children and Young People**
• Children’s centres/nursery
• Career services
• Reading groups and activities
• Youth volunteering
• Links to colleges/local universities.

**Culture and Leisure**
• Gyms
• Libraries
• Museums/art galleries/performances space.

**Other Council Services**
• Face to face counter services (benefits, parking, signposting to other council services).

**Other Organisations**
• Cafes
• VCS organisations
• Citizens Advice
• Post Office
• Police.

*Source: Libraries as Community Hubs: Case Studies and Learning, Arts Council England, 2017*

**Delivery**

4.6 The Preferred Option would see the Hub developed on Site F, the eastern plot of the Market Precinct/Markets Site. A development here could be linked in to a Joint Venture scheme with Project One, as noted above. This would provide the developer with a guaranteed occupier in part of one building. The developer would develop the property to a specification agreed with the public sector agencies who would occupy the building and provide capital funding appropriate to their requirements.
Development viability would likely be supported by the offer of commercial uses in the Brackley Street frontage. However, delivery of the Hub here also means the loss of a larger offer of commercial or residential uses on Site F. Loss of this high value use here may not be supported by developer partners and this would have to be agreed during negotiations for any Joint Venture agreement. Alternatively, the Hub could be delivered separate to the mixed-use development to the west as a specific development contract, led by the Council/other public partners as project funders and landowner.

Table 4 – Project Two Action Plan

<table>
<thead>
<tr>
<th>Development Phase</th>
<th>Partners</th>
<th>Main Actions</th>
</tr>
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</table>
| Initial tasks     | BC, Joint Venture Partners, public sector partners, other potential occupiers – educational/commercial | • Initial research and consultation to clarify the range of public sector occupiers which will be seeking space in the Hub, and the cost savings that could result and financial commitments those parties could make  
• Relevant parties to formally signal their intention to participate in scheme and make budget commitments  
• Develop delivery partnership group who will have responsibility for driving project forward. Agree leadership within that group  
• Marketing of scheme to other parties, i.e., further/higher education providers and commercial operators to gauge their interest. If interest reported, seek to bring parties into the delivery group and make formal commitment.  
• Based on the above, complete financial appraisals to consider viability  
• Engagement with other stakeholders to identify options for funding and realistic options for drawing in that funding, including private finance and Joint Venture options  
• Linked to the above, research to be undertaken on architectural design, meeting all occupier requirements  
• Funding bids to be made at appropriate times. Other parties to agree formal capital budget commitments  
• Review of management and operational processes to identify preferred management for property (discussed below) |
| Hub Delivery      | BC, Joint Venture Partners, public sector partners, other potential occupiers – educational/commercial | • Negotiations with development partnership for Market Precinct/Markets Site for terms of occupancy, lease costs and design of property  
• Alternatively, contracting for separate development partner, specifically for this building  
• Plans for development adjusted as appropriate  
• Subject to the above, partners to agree occupancy conditions and sign appropriate leases  
• Marketing of frontage commercial uses, to seek occupiers  
• Marketing of opportunities to potential commercial occupiers  
• Planning, etc. for scheme delivered as part of Project One or separately  
• Proceed as per agreed terms |

Operational Models

4.7 In terms of management of the building several options exist:

- **Direct Council Management** – The Council is corporate landlord with the property managed by relevant facilities staff, this could include room bookings, Health and Safety, First Aid, facility website and security. Regular meetings with tenants. Receives funding from rental returns and room hire. Advantages include direct control over facilities, revenue, the ability to link management to
existing staff and the ability to innovate in management of the property. Disadvantage is that costs and responsibilities fall on Council staff.

- **Other Occupier Management** – As above but with another occupier organisation taking a lead in management and accruing the advantages and disadvantages noted

- **Outsourced Management** – While Council may be the freeholder, management is outsourced, either to a dedicated arm’s length company, or a specialised management company. Across the UK, Community Hubs have often been included in leisure facility portfolios and managed by leisure operators. This reflects similarities managing the two types of operation, i.e. both are public facing, provide a diverse range of services and combine profit making and non-profit making facilities. Advantages are in cost savings for the public sector and in bringing in professional support for management. Disadvantages can sometimes be in reduced accountability and more distant operations, where the management company operates multiple facilities. A dedicated company would also incur Corporation Tax

- **Charitable/Social Enterprise Management** – A dedicated management organisation. A Management Trust or similar Social Enterprise could on the face of it benefit from preferential tax treatment, but Trusts tend to suffer from the problem of identifying suitably qualified Trustees. Some Councils’ have opted for transfer into a Management Trust or Social Enterprise, but experience suggests they then face problems in raising capital. Both their covenant and track record are weak in the eyes of lenders and they struggle to attract the right calibre of commercial skills.

4.8 As the case studies below show, all of these models have been used, but the general message is that even arm’s length management still requires strong Council oversight. Ultimately, management arrangements depend on how much control the public sector wishes to retain and how much revenue it wishes to generate, against what can be put back into the building.

4.9 In terms of service operation, the main options are:

- **One Service is the Main Hub** – One, appropriately customer focused, occupier agrees to be the main service hub for public facing activities, facilitating partnerships for additional services in the space (designated areas/pop up stands from different services; clubs and groups using spaces, exhibitions). In
exchange it is compensated by other occupiers for any extra response pressures this creates. This can avoid the need for a manned building reception

- Occupiers Remain Separate – Signpost to each other, answer queries but workforce still largely separate. Depending on the scale of the building, this may require a manned reception as a hub for enquiries, which would be a further management and staffing cost

- Integration of Services – with shared staff across services.

Source: Libraries as Community Hubs: Case Studies and Learning, Arts Council England, 2017

4.10 Evidence from case studies is that while the Integration of Services is desirable and can deliver ongoing savings of staffing costs, it takes time to adjust staff and institutional working practices to allow this. The model cannot be assumed from the outset.

Case Studies

4.11 Below are a number of case studies of Community Hubs developed across the UK. Sources for these Case Studies include the 2017 Arts Council England Study “Libraries as Community Hubs: Case Studies and Learning”, Online Council data and best practice.
agency through the construction period, but a social enterprise was established - the For All Healthy Living Company – to client manage the building and bring the co-located agencies together. It now manages the centre, the GP practice and runs other services through grants and commissions.

Services Provided
- Library
- Locality Health Centre – GP services, nurse-led clinics
- Community Café (not for profit)
- Children’s Centre
- A Church
- Other council workers – including family intervention workers, social workers and health trainers
- Charity shop, foodbank, clothes bank
- Allotment group
- Lunch club
- Meeting space and community hall

Operational Practice
Occupiers are tenants in the building and pay rent to the FAHLC management company for building upkeep. There is a Service Level Agreement in place for heating, lighting and cleaning. Individual public agencies pay for stock and staffing relevant to their specific facilities and also pay for security cover when their facility is open outside of centre opening times. Each service has its own staff team, although there are regular meetings for all staff working in the building.

The FAHLC has a Board which consists of the main partners, and local residents who ensure that there is a strong community voice in how the centre is being run.

Key Lessons Learned
- Café and NHS facilities proved the key attractors for the building, greatly increasing footfall
- The stability of the centre was largely attributed to the presence of large public sector partners (NHS, Council), and the community association that had originally been involved had struggled financially.
- Although a partnership was created for centre operation, initial capital investment and development required Council leadership
- Clear leadership and governance is essential for centre operation
- Co-operation of joint facilities can be complex and share management and operational practices can take time to realise. This means that a lot of operational cost saving may take time to realise

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Council led Delivery and Operation: Sale Library and Waterside Arts Centre, Greater Manchester

Introduction
Mix of heritage and new build, opened in 2004. The site of Waterside Arts Centre was originally Sale Civic Theatre which was an important facility for residents of Sale and Trafford. The centre was rebuilt and updated and was 10 years in the planning, Waterside is now seen as a major touring venue for

Mixed Council and Third Sector Operation: Chelmsley Wood Library, Solihull

Introduction
Chelmsley Wood library is in Chelmsley Wood ward, a relatively deprived area, with six LSOAs in the most 10 percent deprived in England.

Delivery/Funding
visual and performing arts, whilst offering a wide range of resources to the local community.

**Delivery/Funding**

Development was led by Trafford Council delivered via PFI between Cofathec and the Council. Capital/revenue funding came initially from Trafford Council and supported by Engie, Arts Council England, Manchester Airport, Arts Council England, the Heritage Lottery Fund, Lauriston School Trust.

**Services Provided**

- Library.
- Trafford Council services including environmental, highways, housing benefit and council tax, etc.
- Trafford Local Studies centre.
- Waterside art centre including art galleries, studios, theatre and workspace.

**Operational Practice**

Operation is supported by Trafford Council, with separate management of Council and arts facilities, by dedicated professional staff.

**Key Lessons Learned**

- Council led management is the simplest method of operation, but, overall facilities run separately, with limited shared operation.
- Arts facilities perform well and are generating strong revenue. Different hours of operation mean they don’t link well to Council services though.

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**Community Hub**

Developed within an existing Library, which occupies the upper floors of a shopping centre.

**Services Provided**

- Library
- Community Advice Hub – run by AgeUK and providing a range of advice and support for issues including benefits, caring and health
- Health hub – in partnership with Public Health involving health activities; blood pressure and BMI machines
- ReCom – local charity which provides IT support
- Midland Heart – homelessness outreach

**Operational Practice**

AgeUK manage the hub on behalf of the Council and Solihull CCG. AgeUK now brings together a range of organisations through the hub including: Midland Heart, BID Services, Action for Blind People, Solihull Carers Centre, Act on Dementia, Solihull Action through Advocacy, and Independent Advocacy.

Library staff provide a key point of contact for services. Library staff refer and accompany customers to the Community Advice Hub for relevant queries and advice.

**Key Lessons Learned**

- Co-location of space in an accessible central location greatly improved the usage of all services.
- Library staff and the partner organisations operating out of the library space often liaise and work closely together, immediately referring customers to different forms of help available.
- The range of services delivered by partner organisations helped to free up library resource to focus on developing other areas of engagement such as the youth hub and children’s activities.
- However, developing shared services has taken time, with staff needing to learn the roles and range of services offered by partner organisations.

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**Funding**

**4.12 Core funding, both for capital and revenue expenditure, would come from the different service providers participating in the scheme. In the case of the Council, capital receipts generated from land and property sales elsewhere in Farnworth could be utilised to support this project. It is also hoped that some of the savings made through co-location of services can be utilised to support the operational costs of this facility.**

**4.13 A high specification building could be expensive, in the case studies above it is noted that even a comparatively small building cost £2.65 million to deliver. To reflect the costs, partners may need to look to maximise space in the scheme available for commercial rental, opening up ground floor space for leisure, retail and food uses and upper floor accommodation for office and educational uses. Specific options could include:**

- Cafes and food concessions
• Gym – Private health would be a logical additional service to locate in the Hub, supporting other health and wellbeing activities. Demand from private gyms was noted in Baseline research, with average requirements for 600 sqm of prominently located space, but there is a risk of overlap between such a use here and equivalent proposals on Brackley Street. In addition, research suggests gyms would be unwilling to pay much more than £108/ sqm (£10/sqft), even for a prime site in Farnworth

• Children’s Centre/Nursery – Again a logical facility to co-locate with public services, but unlikely to generate a large rental return

• Charities – Some community hubs look to bring charitable organisations/social enterprises into Community Hubs, in addition to generating an (again possibly limited) rental return, such organisations can operate compatible community services from the Hub and potentially support operations. Organisations to consider would be those with an established presence in Bolton Borough and activities relevant to the local community, with examples including Age UK which is already active in Farnworth

• Offices/Education – Evidence is that Miller House, Market Street will meet local micro business demand for small office suites for the foreseeable future, especially when combined with the large established serviced office facilities of Bolton. Options for B1(a) space in the Community Hub will likely focus on meeting the needs of specific organisations which could include housing associations, Bolton University and College. All such organisations should be approached at an early stage to understand their property needs in Farnworth and, in the case of educational institutions, should consider requirements not just for administrative offices, but also education facilities which could support the wider community goals of the Hub, for example adult education services.

4.14 In terms of grant funding, National Lottery funds are most commonly used to support Community Hubs. Relevant Lottery programmes would fall under the Big Lottery programme. Specific programmes for capital investment support are more focused in Wales and Scotland at present and it should be noted that Lottery Grants, outside of sports and performing arts facilities, are typically less than £1 million in size.

4.15 Other grant streams which could be utilised would be dependant on the range of facilities included in the Hub, particularly in areas of health, education and child care.
4.16 If the Hub was brought forward as a community led initiative, then further options could be considered, including a share capital or community bond raise, but these are unlikely to generate the scale of capital funding required in many of the delivery options put forward above.
5.0 Project Three – Housing and Mixed Use Developments on Private and Publicly Owned Land

Overview

5.1 Sites for consideration include:

- Site A: Former Mill Street Training Centre
- Sites B-C: Queen Street/Gas Street
- Site D: Land North of Park View
- Town Hall Refurbishment
- Site H: Car Park Land
- Site I: Market Street Car Park
- Site J: Travis Perkins Site, Albert Road/Fletcher Street
- Site K: Employment Uses North of King Street/West of Cross Street.

The Case for Change

5.2 Case for housing and other uses is as for Project One, above.

Delivery Approach/Phasing

5.3 Delivery here will be driven by three factors:

- The need to generate capital receipts on Council (and possibly linked developer) owned land for cross funding of other projects
- The need to develop a diverse and good quality housing market
- The need to avoid oversupplying what is, and will ultimately remain, the small scale housing market of Farnworth, with too much new stock at any one time.

5.4 If these sites are delivered via a single Joint Venture agreement, then the order and timeframe for bringing sites forward will be subject to that agreement and the developer’s programme for growth. It is likely that the developer will want to maximise residential development in the early phases of the Masterplan, to generate a strong return, but as mentioned, there will be a need to ensure delivery reflects the likely scale of market demand.

5.5 If it is assumed that some or all of these sites fall outside any Joint Venture agreement then delivery will be on an incremental basis, with sites released for sale gradually through the Masterplan period. It is expected that the Council will need to lead on this,
reflecting its status as a key landowner, and to ensure progress is made on other sites.

5.6 The interest of Bolton At Home in further developments here is noted, as is the requirement for affordable housing, older people’s housing, shared ownership and other specialist options in Farnworth. While these needs should not be ignored, there is also a need to grow and develop the private housing market. Housing association and other specialist housing providers will normally pay less for land than private housebuilders, reducing returns and for some of the more complex sites, discussed below, may not be able to achieve a viable scheme. For these reasons it is recommended that sites should be offered for open market sale, to deliver a good mix of housing types and tenures. In offering land for sale, to private organisations, the following needs to be considered:

- Planning – Housebuilders would generally expect to acquire sites with outline consent for housing in place, purchase agreements will normally be subject to securing of reserved matters consents
- Site Acquisition – housebuilders will normally look to acquire land freehold for development
- Site Preparation – Subject to a full analysis of site conditions, site preparation and servicing would be the responsibility of the housebuilder
- Road Infrastructure – The available sites are small, with only modest internal and external road requirements. To simplify future development, the Council should be clear on what infrastructure and external infrastructure contributions will be expected from the future housing scheme, as early as possible in the sale/development process
- Funding/Land Assembly – As noted below, there are significant land assembly requirements on some sites, issues that would likely need to be addressed before land is offered for sale. However, after land sales are completed, it is assumed the housing would be funded by the housebuilders’ own private finance
- Mix and Phasing – During planning negotiations and partnership agreements, housebuilders would look to agree the final housing mix and a phasing plan for delivery. This would be based on up to date market research and set out an estimate of the annual/quarterly delivery rate for units, particularly apartments, which it was judged the market could support and would avoid an oversupply
- Delivery – Subject to the above, delivery could then proceed through normal construction processes and reflecting agreed delivery timetables. In the case of some marginal sites, a housebuilder might look to partner with an RSL as a
guaranteed end user for the premises, to give greater security.

5.7 The following divides up housing delivery by phase:

**Phase One – ‘Early Win’ Deliveries on Council Owned Land**

5.8 Initial development is likely to focus on Council owned sites, which have no significant constraints, and which the Council can release as and when required. As noted, land release should be gradual, to develop the market and avoid an oversupply, with land normally released for open market sale, subject to the criteria listed above. The relevant sites, in the approximate order in which they could be released, are:

- **Training Centre Site, Mill Street (Site A)** – Simple unconstrained site, which could be released when available. Location could suit specialist housing options such as shared ownership
- **Land North of Park View (Site D)** – A high profile site with Market Street frontage. Early release is recommended here with the goal to secure a good quality, high density development of (likely) private housing which will boost the local market, increase Farnworth’s attractiveness as a place to live and provide a strong gateway feature for the Town Centre
- **Higher Market Street Car Park (Site I, part)** – Again a strong gateway site into Farnworth from the south. Any release here will need to be preceded with a review of car parking needs in Farnworth, to ensure the car parking can be lost without significant impact on the viability of Farnworth as a service centre.

**Phase Two – Town Hall Refurbishment**

5.9 Options to release the Town Hall for housing will be dependant on when the Council can vacate the property, if staff can be relocated to existing Council properties or if there is a need to seek space in the Community Hub (i.e. need to wait for that project to finish, before that one can be realised).

5.10 Once there is a clear plan for staff vacating the property, it should be marketed, to avoid an extended period of vacancy. The Council will need to decide if the property is to be made available leasehold or freehold. Private housebuilders would normally look to acquire properties freehold, so offering it for sale will increase its attractiveness to the full range of possible purchasers. Housing associations and other specialist providers can be more flexible about tenure, allowing the Council to retain some control over the development and maintaining a revenue stream over the long term. In
discussions, Bolton At Home expressed an interest in the property, noting that it could suit older people’s housing.

5.11 There are understood to be no significant physical problems with the building and thus once under housebuilder, etc. control it is assumed that refurbishment can proceed through private finance and initiative.

Phase Three – Queen Street/Gas Street (Sites B-C)

5.12 This area comprises some 6,000 sqm of older industrial premises, which is under six private ownerships and six leases, along with the Gas Holder (where all gas infrastructure appears in place), which is owned by National Grid (Site B, north part). The current design also incorporates a car parking area for Hayvern Electrical at the Queen Street/Gas Street Junction. This is thus a very complex site to deliver with considerable costs in terms of freehold/leasehold acquisitions and businesses to relocate, along with specific abnormal costs associated with decommissioning the gas facility and cleaning the site. It is unlikely that a private housebuilder will be willing to bringing this site forward under their own initiative.

5.13 Assuming the site is not part of a wider Joint Venture scheme, then to deliver housing here, it is likely that the Council will need to take at least some responsibility for land assembly. This would include:

- A programme of engagement with owners to try an ensure their buy in to any scheme, avoiding the need to acquire their sites in advance of development. Any unsupportive owners would need to be identified
- For unsupportive ownerships, are their holdings fundamental to any scheme, could they be excluded from development, if needed? If they are fundamental, can these sites be purchased by the Council, or relevant partner, and if necessary, is the Council willing to use CPO powers to drive this project forward?
- Leaseholds will need to be reviewed on the site, identifying lease breaks where occupiers could be removed from sites without purchasing leases and where lease purchase will be required. Options for relocating businesses will need to be developed and implemented
- Specific consultation with National Grid will be required to clarify if the gas facility is still required and, if not, costs for its acquisition and decommissioning. Site remediation costs are likely to be very high here, particularly given the proposed residential use, and achieving a viable scheme, which includes this
plot will be challenging. While different densities and types of housing, along with infrastructure grants, can be explored, the very high development costs against the small amount of land freed up for housing (0.3 ha) may mean that any viable scheme needs to exclude this plot.

- While these issues are being addressed, the proposed housing scheme will need to be developed and adjusted to ensure it generates sufficient return to recoup and at least a good proportion of the costs of land assembly. Affordable housing, or specialist housing options are unlikely to be viable here. Options for infrastructure/land acquisition funding, discussed below, will also need to be explored.

- Assuming the above can be achieved, the site can then be tendered for a joint venture developer partner or sold outright to a housebuilder.

**Phase Four – Aspirational Schemes:**

- Car Park (Site H); Land to rear of Housing at Mather Street/Garden Street (Site I, south);
- Travis Perkins Site, Albert Road/Fletcher Street (Site J);
- Employment Uses North of King Street/West of Cross Street (Site K)

5.14 The Masterplan incorporates several sites, with housing and mixed-use potential, which, except for Land to rear of Housing at Mather Street/Garden Street are in active use at present, with no known plans for change. It is expected that development here will occur on an incremental basis, driven by the plans of landowners.

5.15 The Council’s role would be limited to highlighting the opportunities to landowners and potentially supporting the marketing of sites to housebuilders, assuming none of the sites was included in a Joint Venture agreement.

5.16 The main project specific actions, which would need to be undertaken to commence delivery, are shown in Table 5. These would be in addition to the wider programme actions of Section 2.0 and assume sites are outside of a programme Joint Venture Partnership.

**Table 5 – Project Three Action Plan**

<table>
<thead>
<tr>
<th>Development Phase</th>
<th>Partners</th>
<th>Main Actions</th>
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</thead>
</table>
| Phase One – ‘Early Win’ Deliveries on Council Owned Land | BC, development partners, Housebuilders/housing associations, etc. | - Internal decision making by Council on decommissioning the Mill Street Training Centre, any outstanding services still active in the property to be relocated
- In terms of the Land North of Park View, further internal and external consultation may be required to avoid objections to the loss of park/playground land
- Review of car parking provision in the Town Centre to confirm that the Higher Market Street Car Park can be released for development without harming the vitality and viability of Farnworth. If an issue is identified, seek alternative car parking provision in the other Masterplan project areas. |
Given the modest size of the Higher Market Street Car Park this would not necessarily be an extensive requirement
- Review any infrastructure requirements these sites have to make them ready for development. These are assumed to be negligible in the case of these sites
- Clearance of the Mill Street Training Centre building would be desirable, although not essential, before marketing this site
- If not sought for the whole Masterplan, obtain Outline Planning for this Phase
- Market and tender the sites to housebuilders, housing associations, etc.
- Close car park at appropriate time
- Agree a preferred bidder and subject to satisfactory terms release the land for freehold sale

| Phase Two – Town Hall Refurbishment | BC, development partners, Housebuilders/ housing associations, etc. | • Internal decision making by Council on decommissioning the Town Hall. Plan for the relocation of services, where and when? Is it necessary for the Community Hub to be developed prior to vacating this building or can services move to existing facilities on a temporary or permanent basis?
- Internal and external structural assessment of the property to identify any issues which may inhibit its reuse for residential uses
- Agree the terms for its release, i.e. leasehold or freehold, limited offer to key groups (housing associations, specialist providers, etc.). The former could satisfy specific policy requirements and needs in Farnworth, while the latter would maximise returns
- If not sought for the whole Masterplan, obtain Outline Planning for this Phase
- Market and tender the sites to housebuilders, housing associations, etc.
- Ideally, most of these actions should be completed before the building is emptied, to avoid a long period when the property sits vacant
- Relocate services at appropriate time
- Agree a preferred bidder and subject to satisfactory terms release the property on agreed terms

| Phase Three – Queen Street/Gas Street | BC, development partners, Housebuilders/ housing associations, etc. Landowners, National Grid | • A Land Ownership and Development Plan associated with Phase 3, produced in consultation with owners to identify the scale of affected ownerships/tenancies and owners willing to engage with the process, those only seeking to sell land and uncooperative parties/those with unrealistic value aspirations. Amend plans/programme to account for these, as needed
- Separate contact with National Grid to establish the viability of inclusion of the Gas site and issues associated – Account for site acquisition, decommissioning and remediation. Could this site be realistically included in a scheme?
- Based above, make a commitment on CPO intervention, will CPO be used to drive this development forward, if needed?
- Business Relocation Plan – Plan how affected businesses can be relocated, where and when, and the financial implications of this to the scheme
- Ongoing valuation work to further clarify value gaps, and sensitivity testing as to revisions in development mix/cost savings which may address those gaps.
- Engagement with Homes England, GM agencies and other stakeholders to identify options for public funding and realistic options for drawing in that funding
- Funding bids to be made at appropriate times.
- Create detailed delivery and phasing plan based on landowner/occupier research findings
- Implement any further outstanding research into architectural, physical, environmental conditions needed
- Further negotiations on development partnership, to bring in willing owners
- Plan to address unwilling ones, will any blocks require a CPO intervention and what sites could be left as they are without compromising the wider scheme?
- Implement land assembly programme as agreed. Assemble site and clear
- If not sought for the whole Masterplan, obtain Outline Planning for this Phase
- Market and tender the sites to housebuilders, housing associations, etc.
- Agree a preferred bidder and subject to satisfactory terms release the land for freehold sale

| Phase Four – Aspirational Schemes | BC, development partners, other developers, Housebuilders/ housing associations, etc. Landowners | • Council to approach landowners at appropriate times during the Masterplan process, the highlighting opportunities
- Council to advise on site marketing, planning matters, business relocation, other relevant issues
- Detailed planning, marketing and release of sites to proceed under the landowner’s initiative.

Source: BE Group, 2019

**Funding**

5.17 Evidence from current housing schemes, including MacDonald Park, MacDonald Avenue and Lorne Court, Lorne Street, is that housing can be viably delivered in
Farnworth, on relatively unconstrained sites, by the private sector. It is thus assumed that sites including Land North of Park View, Higher Market Street Car Park and the Council facility on Mill Street can be brought forward by private housebuilders or housing associations, using traditional methods of private finance, without public support.

5.18 Land on Queen Street and Gas Street is constrained by multiple ownerships and physical conditions and is unlikely to come forward without some initial investment and land assembly, which is likely to be public sector led. Some options for funding are considered here.

5.19 **Greater Manchester Housing Investment Fund** – This Greater Manchester programme, part of the GM Devolution Agreement, can provide loans ranging from £500,000–£30 million to support housing development. This is normally a four year loan (although longer terms are possible), with security requirements dependent on project specifics. Options can include Stretch senior debt and mezzanine finance, along with equity investment. While this could be a useful option for a high profile investment in a Greater Manchester Town, particularly if traditional private finance proves unavailable, it must also be recognised that this remains a loan that would have to be at least 80 percent repaid. Thus, while it might prove a useful ‘top up’ for overall project finance, it would be of more limited value in filling a specific viability gap, where the prospects of repaying the investment are more limited.

5.20 **Homes England** – In principle there are several programmes which could be called upon to support development here, and elsewhere in the Masterplan Programme (see Table 6). However, in discussions, Homes England has highlighted that, reflecting its strategic target to increase UK housebuilding to 300,000 dwellings/year, Homes England investment is expected to increasingly focus on large scale/high volume schemes, ideally providing 1,500 units or more. Although in practice, some smaller sites, which can be delivered more rapidly, will also be supported, these are still expected to be locations capable of delivering more than 200 units in single site. While this could apply to some Masterplan sites, the geographic focus of investment is on areas of high market demand and high affordability ratio (gap between wages and house prices). Farnworth is not such an area and most Masterplan projects are likely to be too small, in terms of number of units delivered, to meet Homes England needs. It could be possible combine Masterplan projects with larger strategic sites elsewhere in Bolton, for collective bids, however.
Table 6 – Homes England Relevant Funding Programmes for House Building

<table>
<thead>
<tr>
<th>Funding Option</th>
<th>Description</th>
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<tbody>
<tr>
<td>Acquisition Funds</td>
<td>Homes England now has funds to allow both itself, or a local authority partner, to purchase sites and bring them forward for development. It would like to work more with local authorities to realise the target housing completions. Funding programmes linked to this include the Land Assembly Fund and the Small Sites Fund.</td>
</tr>
</tbody>
</table>
| Housing Infrastructure Fund            | Can allow support for “big ticket items” in residential development – which often takes the form of roads and flood defences, etc. This allows for larger sites to be successfully developed. At Autumn Budget 2017, the Housing Infrastructure Fund more than doubled with an additional £2.7 billion of funding bringing the total Fund to £5 billion. This was further extended at Autumn Budget 2018 by an extra £500 million bringing the total funding available to £5.5 billion to unlock up to 650,000 new homes in total. The fund is divided in 2 parts:  
  - A Marginal Viability Fund to unlock relevant to sites held back by infrastructure and building costs. For these types of development, Housing England will provide the final, or missing, piece of infrastructure funding to get additional sites allocated or existing sites unblocked quickly. Housing England expect the infrastructure to be built soon after schemes have been awarded funding, and for the homes to follow at pace. Bids can be up to £10 million  
  - A Forward Fund for a small number of strategic and high-impact infrastructure projects. The Fund is available over four years from 2017/18 to 2020/21. |
| Home Building Fund,                    | Lending for private housebuilders on both a short and long term basis, for schemes of at least five homes. All lending requires appropriate security and loans are typically secured against property assets. Loans of £250,000 to £250 million are available with smaller loans considered for innovative housing solutions and serviced plots for custom builders. Typical terms are up to 5 years for development finance, and up to 20 years for infrastructure loans. Infrastructure finance is available to draw down up to 31st March 2021 while development finance will be available to draw down up to 31st March 2023. |
| Local Authority Owned Housing Companies| Housing companies can be set up and funded by local authorities, with any company profit used to fund further housing development. The local authority can borrow at very cheap rates, lend across to the housing company, see a return straight away from a general fund from that lending arm, and then take a 5% or 6% profit from sales that it achieves at the end of its working cycle. |
| Community Housing Fund                 | £163 million is being made available in England up to 2020/21 to support community-led housing. The Fund aims to support an increase in housing supply in England by increasing the number of additional homes delivered by the community-led housing sector; to provide housing that is affordable at local income levels and remains so in perpetuity; and to deliver a lasting legacy for the community-led housing sector in the form of an effective and financially self-sustaining body of expertise within the house building industry in England. |
| Development with registered provider   | Council investment of land, use of right to buy receipts or financial investment to fund new building. A direct loan or bond is provided by the local authority to a housing association. Land assets are also sometimes used in a partnership with the housing association providing the finance. |

Source: BE Group/Homes England, 2019
6.0 Project Four – Extension of the Leisure Centre and Adjacent Site

Overview

6.1 Extension of the leisure centre and incorporation of adjacent site on Albert Road / Brackley Street junction for commercial uses, with housing above.

The Case for Change

6.2 It is assumed that a specific business case will be made for the Leisure Centre investment by Serco Leisure. The case for commercial/housing development is as previously.

Delivery Approach/Phasing

Phase One – ‘Leisure Centre Extension/Refurbishment

6.3 There is an existing plan to extend and upgrade the Leisure Centre, within its existing footprint. This will be implemented by Centre operator Serco Leisure, from identified funding sources and independent of the wider Masterplan.

Phase Two – Albert Road / Brackley Street Junction Development (Site G)

6.4 Land here comprises the owner-occupied W. Lever and Sons car garage, which is in active use. It is identified for town centre uses which could complement the regeneration of the Brackley Street east/King Street east area.

6.5 It is recommended the Council engage with the landowner at an early stage to determine their interest in participating in a wider scheme, or conversely in an individual development later in the Masterplan period, and to consider the detailed development which could be realised here. The site is identified for commercial and residential and it is likely that a mix of these uses can be found to provide a viable scheme, which will encourage landowner participation.

6.6 Subject to the response these properties could be included in a wider, developer-led scheme. Alternatively, a longer-term dialogue could be maintained to support these owners as they marketed their sites for relevant town centre options, to be delivered by private developer partners.
6.7 The main project specific actions, which would need to be undertaken to commence delivery, are shown in Table 7. These would be in addition to the wider programme actions of Section 2.0 and assume sites are outside of a programme Joint Venture Partnership.

Table 7 – Project Four Action Plan

<table>
<thead>
<tr>
<th>Development Phase</th>
<th>Partners</th>
<th>Main Actions</th>
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</thead>
</table>
| Phase One – 'Leisure Centre Extension/Refurbishment' | BC, Serco Leisure, contractors. | • Existing planning for change here, if not already completed, to be completed by Serco, accompanied by appropriate research into leisure centre usage (and how to improve that usage), the current offer and gaps in that offer  
• Develop a plan for physical investment based on identified gaps  
• Review requirements for that investment  
• Budget allocations, loans and financing to be sought as required  
• Seek planning and building consents, as required  
• Project contracting and delivery to be completed under Serco leadership |
| Phase Two – Albert Road / Brackley Street Junction Development (Site G) | BC, development partners, other developers, Landowners | • Council to approach landowner at appropriate times during the Masterplan process, the highlighting opportunities  
• Council to advise on site marketing, planning matters, business relocation, other relevant issues  
• Detailed planning, marketing and release of sites to proceed under the landowners’ initiative. |

Source: BE Group, 2019

**Funding**

6.8 Improvements to the leisure centre will be organised by Serco Leisure, who will also organise funding.

6.9 As noted, development on the W. Lever site is identified as aspirational. Development here would be a partnership between the landowner and developer, funded through private finance. Community Centre Uses could attract public funding and different funding options for community uses were discussed in relation to Project Two.
7.0 Project Five – Public Realm

Overview

7.1 Masterplan public realm work will include Market Street, Queen Street, Cross Street, southern section of Gas Street, King Street between the bus station and Albert Road, western section of Brackley Street and the open space next to Asda. Potential green and cycling routes will be identified.

The Case for Change

7.2 Evidence from stakeholder engagement is that, notwithstanding recent investment in Brackley Street, the overall visual quality of Farnworth remains poor, whether it’s the streetscape or the quality of shop fronts. This affects broader perceptions of the area, both the perceptions of customers and potential residents and the perceptions of businesses and developers, looking to invest in the area. Public realm intervention would thus create a better place to live and better place to do business.

7.3 Public realm investment creates better public space to improve the wellbeing of existing residents. An improvement in the visual quality and legibility of an area will have a role in boosting in attracting more visitors to Farnworth, increasing footfall and, in turn, boosting sales and increasing the attractiveness of the location to occupiers. Good public realm can also help attract new residents to Farnworth although evidence is that this is only the case if public realm is part of a broader range of physical investments and amenity improvements. Past research suggests that public realm will not, by itself, lead to improvements in property values, but that it can support value growth when part of a cohesive and well-planned programme of regeneration, particularly in terms of commercial properties.

Delivery Approach

7.4 To guide the development and enhancement of public realm in Farnworth, the Council should consider the creation of a Public Realm Implementation Framework, comparable to that completed for Bolton. This would:

- Provide detailed design guidance on the type and nature of the streetscape, future, lighting and landscaping sought through Masterplan and other projects
- Provide costings of the public realm and apportion those costs between projects.
7.5 This would give developers certainty about what they are expected to fund within any given project and to what design standards. It would give the Council certainty about the quality of public realm to be delivered, plan how it could be phased with projects and funded. It could also identify any elements of public realm which could fall outside of project areas, where separate funding would be needed.

7.6 Under this Framework implementation would be either by the developers themselves, during project delivery, or by the Council, supported by developer contributions.

**Funding**

7.7 Public realm investment will be apportioned between the different projects. Key funding will come via developer contributions, through Section 106 agreements and reflecting relevant elements of the Council’s Infrastructure and Planning Contributions Supplementary Planning Document.

7.8 However, given the likely viability constraints on individual sites, it may not be possible to gain full funding for all desired public realm from developer contributions. If this is the case, it should be noted that many of the funding streams discussed, in relation to projects 1-5 above, provide allowance for public realm investments, for example the Future High Streets Fund. This would be in addition to any direct investment the Council can provide from its existing and future infrastructure budgets.
8.0 Project Six – Shop Front / Business Premises Improvement Scheme

Overview

8.1 A programme of investment in shop and business frontages, complimenting public realm investment, along the frontages of Market Street, Higher Market Street and the southern frontage of Brackley Street, including Home Bargains and Asda.

The Case for Change

8.2 The case for change links to the above case for Public Realm investment namely, to improve the overall visual quality of Farnworth. This affects broader perceptions of the area, both the perceptions of customers and potential residents and the perceptions of businesses and developers, looking to invest in the area.

8.3 Investing in shop/business fronts helps increase the attractiveness of those businesses and compliment the focused investment in new commercial space on Brackley Street. It will ensure the benefits of Masterplan investment are dispersed across Farnworth’s business community and, combined with other investments, increasing footfall and sales. Investment will also improve the quality and value of individual properties.

Delivery Approach

8.4 Shop Front/Business Frontage Improvement Grants are a common method of stimulating centre-wide investment. Several North West local authorities have implemented such schemes, including Chorley, Rochdale, Cheshire East and Pendle. This grant scheme provides financial support, to shop owners (usually A1-A5 use classes) and leaseholders (normally with five years or more to run on leases) to facilitate investment in improving the visual appearance of their shop fronts, reflecting common design standards (i.e. a Town Centre Design Guide) which also inform public realm. In this regard, relevant design guidance could be incorporated into a Public Realm Implementation Framework, as was discussed above.

8.5 The grant is for comprehensive exterior capital works rather than routine maintenance (windows, exterior treatment, lettering, fascias, signage, and lighting). Physical improvements to a shop entrance to improve disability access could also be eligible for grant support, while some councils fund improvements to vacant properties to improve
their marketability. Businesses may apply for 50-75 percent of the total eligible project costs. Typically, local independent business would be eligible for a higher proportion of grant assistance than regional/national multiples.

8.6 The grant levels will be dependent on the level of change the Council hopes to achieve, as well as the available funding pot. However, experience from past schemes suggests that the funding levels offered, commonly between £3,000 and £10,000 per unit, are too small to deliver significant physical change. Given the real costs of physical changes, levels of £20,000 per unit or higher, could be needed. Clearly this approach would be dependent on Bolton Council being able to raise the capital funds to support its share, and engagement with Town Centre businesses would be required to determine the level of support for such an initiative.

Table 8 – Project Five Action Plan

<table>
<thead>
<tr>
<th>Development Option</th>
<th>Partners</th>
<th>Main Actions</th>
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</table>
| Shop Front/Business Investment Scheme –   | BC, businesses, owners, contractors. | • Council to agree the terms of a programme in draft – scheme aims, grant levels/funding available, eligibility criteria, programme duration period, works covered, any preferred contractors, application procedures, publicity programme  
• Agree common design approach and develop/issue guidance, as required. As noted, this could link to a wider Public Realm Framework  
• Consult on the programme and establish business interest, any issues  
• Amend the scheme, as required  
• Agree responsible officers for programme management, preferred contractors, make relevant funding commitments (bid for funding as required)  
• Agree framework for programme monitoring and  
• Implement the programme and monitor outcomes. |

Source: BE Group, 2019

Funding

8.7 Business improvement schemes are typically financed by a split of public sector grant funding and direct investment by the affected businesses. The split would need to be agreed by the Council, based on the level of change sought and the funding available. The public element of the funding would typically come from direct Council investment, which could be supported through developer contributions. Funding for such an improvement programme could also form part of a bid for the Future High Streets Fund, as noted above. Such scheme have historically been supported by the Heritage Lottery Fund (HLF). As noted, HLF is currently developing its Strategic Funding Framework for 2019-2024, which will set out its grant priorities for 2019 onwards.
9.0 Phasing Strategy

Introduction

9.1 Table 9 provides a phasing strategy, with justifications, for the Masterplan Projects. It makes the following assumptions:

- That most public realm investment will be integrated into the individual development projects rather than implemented separately
- That Shop/Business Frontage Improvement would be an ongoing programme of investment through the masterplan period
- That Council bodies can provide leadership on multiple projects at the same time
- Phasing seeks to spread housing across phases as much as possible, to avoid an oversupply of accommodation at any one time. It also allows for early delivery of Council owned sites to generate capital receipts which could be invested elsewhere
- This also gives options for Town House delivery alongside flats
- Large and complex projects are given a long lead in time for site assembly, agreement of delivery route and funding
- It is assumed that more aspirational projects such as the Car Park (Site H), Land to rear of Housing at Mather Street/Garden Street (Site I, south) will be delivered later, when other projects have improved the market here to make housing development on these sites desirable.
Table 9 - Phasing Plan

<table>
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<tr>
<th>Time Period</th>
<th>Market Precinct/Markets Site and Saddle Public House Mixed Use Development</th>
<th>Market Street/Brackley Street Community Hub</th>
<th>Housing Developments on Private and Publicly Owned Land</th>
<th>Extension of The Leisure Centre and Adjacent Site</th>
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<tr>
<td>2019-2021</td>
<td>Phase 0 - Overarching Programme Tasks&lt;br&gt;Over this period, it is assumed the Council and other partners will complete the key inception tasks, as defined in Section Two. These will particularly include funding assembly and marketing the Masterplan to owners, occupiers and potential development partners. If appropriate make some initial investments in public real, particularly to any public realm not readily linked to specific projects.</td>
<td>Phase 1 - Early Win Deliveries on Council Owned Land&lt;br&gt;Some Initial housing developments on available Council-owned sites are also likely in this period, to stimulate the market and encourage further investment. Affected sites likely to include:&lt;br&gt;- Training Centre Site, Mill Street (Site A)&lt;br&gt;- Land North of Park View (Site D)&lt;br&gt;- Higher Market Street Car Park (Site I, part)</td>
<td>Phase 1 - Leisure Centre Extension/Refurbishment&lt;br&gt;Implementation of existing plans for Leisure Centre.</td>
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<tr>
<td>2021-2023</td>
<td>Phase 1 - Site Preparation and Initial Delivery of Western Buildings (Site F)&lt;br&gt;Joint Venture partners to progress initial development on available land, this will likely include a development on the Saddle Public site and the Markets Site as available, publicly owned, and unconstrained land. During this time final decisions on whether the development will include the Brackley Street shops will need to be made. If they are included, then a period of land assembly will be required in advance of the main development.</td>
<td>Phase 1 - Final Site Preparation&lt;br&gt;Agreement on delivery approach, negotiations with developer partners and agreement of the occupier mix for the Hub are all likely to be long term actions. Time is allowed to complete these.</td>
<td>Phase 1 - Other Deliveries on Council Owned Land&lt;br&gt;Any Council-owned sites on the above list not delivered earlier. This may include Higher Market Street Car Park, which may need to be preceded by an assessment of Farnworth’s parking capacity and the impact of closing this facility.</td>
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<td>2023-2025</td>
<td>Phase 2 - Delivery of Eastern Building (Site F)&lt;br&gt;Subject to the above issue of land assembly, the Eastern Building, south of the Bus Station, is brought forward. As noted, this would likely be anchored by the Community Hub and designed specifically to support that use. Phasing should be kept flexible though, guided by developer assessments of market demand and the level of delivery the market can support at any one time.</td>
<td>Phase 2 - Hub Delivery&lt;br&gt;Delivery of the Hub in the agreed location.</td>
<td>Phase 2 - Town Hall Refurbishment&lt;br&gt;This assumes the Hub is required for the relocation of some services within Farnworth. If this is not the case, then this Phase could proceed earlier.</td>
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<tr>
<td>2025-2027</td>
<td>Phase 3 - Queen Street/Gas Street (Sites B-C)&lt;br&gt;A large complex site, which will take time to develop. Slow delivery is also advisable here to avoid oversupplying the market with housing.</td>
<td></td>
<td>Phase 2 - Albert Road / Brackley Street Junction Development (Site G)&lt;br&gt;Land here comprises the owner-occupied W. Lever and Sons car garage, which is in active use. It is assumed delivery here will be a later phase, when other projects have improved the market here to make housing development on these sites desirable.</td>
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<tr>
<td>2027-2029</td>
<td>Phase 4 - Aspirational Schemes&lt;br&gt;Land mostly in active use at present, but with future potential for redevelopment under private sector led schemes. It is assumed delivery here will be a later phase, when other projects have improved the market here to make housing development on these sites desirable.</td>
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<td>2029-2031</td>
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<td>2031-2033</td>
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<td>2034+</td>
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Source: BE Group