

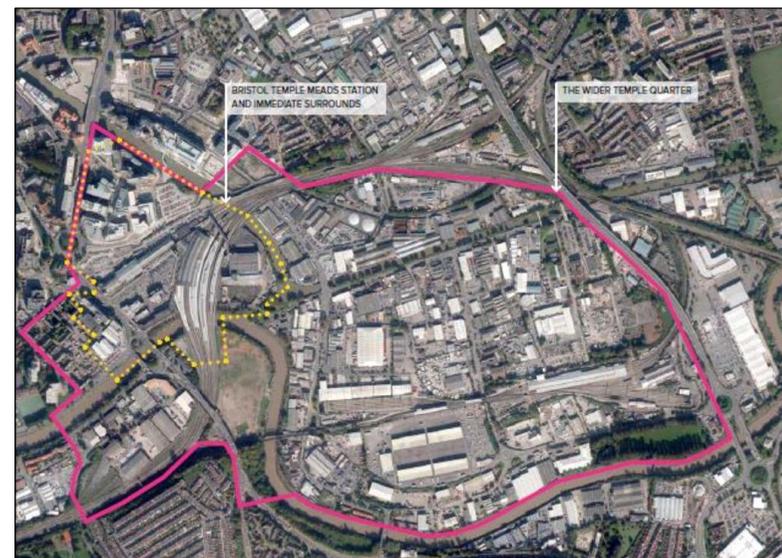
## Bristol Temple Quarter Delivery Structure Models - Case Studies

11 March 2021

# Overview

This paper summarises the Joint Delivery Team's early work to gather insights on various delivery vehicle models adopted across the UK to promote local urban regeneration.

- Following establishment of the Joint Delivery Team for Temple Quarter, the partners – Bristol CC, WECA, Homes England and Network Tail - began a process to assess longer term options for potential delivery structures.
- To assist the partners in this process, and as a first step, a range of case studies have been collated to illustrate some approaches that other local authorities have adopted across the UK to deliver different regeneration challenges.
- The case studies fall into five broad areas:
  1. Strategic Partnerships
  2. Corporate Joint Ventures
  3. Local Authority Sponsored Companies
  4. Mayoral Development Corporations
  5. Development Corporations
- Whilst there are some overlaps between these models, they:
  - Offer an initial menu of approaches for the partners to note; and
  - There may be potential to combine different aspects when considering a future able approach for Temple Quarter.
- Any long-term delivery structure must reflect the specific requirements of Temple Quarter, land ownership, investment from public and private sources as well as the overriding objectives and constraints of the partners.



# Delivery vehicles (1)

There are a range of development corporation vehicles with varying characteristics

	Mayoral Development Corporation (MDC)	New Town Development Corporation (NTDC)	Locally-Led NTDC (LLNTDC)	Urban Development Corporation (UDC)	Locally-Led UDC (LLUDC)
Examples	<ul style="list-style-type: none"> <li>London Legacy Development Corporation</li> <li>Stockport MDC</li> </ul>	<ul style="list-style-type: none"> <li>Cwmbran</li> <li>Welwyn Garden City</li> </ul>	<ul style="list-style-type: none"> <li>Milton Keynes</li> <li>Warrington</li> </ul>	<ul style="list-style-type: none"> <li>Ebbsfleet Development Corporation</li> </ul>	<ul style="list-style-type: none"> <li>None to date</li> <li>Consultation underway for an East Midlands Development Corporation</li> </ul>
Legal basis	<ul style="list-style-type: none"> <li>2011 Localism Act</li> </ul>	<ul style="list-style-type: none"> <li>1981 New Towns Act</li> </ul>	<ul style="list-style-type: none"> <li>2018 Locally Led New Town Dev Corporations</li> </ul>	<ul style="list-style-type: none"> <li>1980 Local Government and Land Act</li> </ul>	<ul style="list-style-type: none"> <li>Not currently available.</li> </ul>
Central or local control	<ul style="list-style-type: none"> <li>Local.</li> </ul>	<ul style="list-style-type: none"> <li>Central.</li> </ul>	<ul style="list-style-type: none"> <li>Central, but with a local oversight authority.</li> </ul>	<ul style="list-style-type: none"> <li>Central.</li> </ul>	<ul style="list-style-type: none"> <li>Local.</li> </ul>
Examples of powers	<ul style="list-style-type: none"> <li>General powers</li> <li>Planning (plan-making and development management) – some MDCs have planning powers though none outside London</li> <li>Land acquisition / disposal;</li> </ul>	<ul style="list-style-type: none"> <li>General powers</li> <li>Land acquisition / disposal</li> <li>Grants (and borrowing) from HMT)</li> <li>NTDC does not have general planning powers unless following a special development order (SDO)</li> </ul>	<ul style="list-style-type: none"> <li>As per NTDCs (except making of local development order</li> <li>The local oversight authority discharges certain functions in place of the SoS.</li> <li>LLNTDC does not have general planning powers</li> </ul>	<ul style="list-style-type: none"> <li>General powers</li> <li>Planning (including making of SDO)</li> <li>Land acquisition / disposal</li> <li>Borrowing and receipt of HMT funds</li> </ul>	<ul style="list-style-type: none"> <li>Current proposals for consultation based on:</li> <li>General powers</li> <li>Planning (plan-making and development management)</li> <li>Land acquisition/ disposal</li> <li>CLL charging authority</li> <li>Housing authority</li> </ul>

## Delivery vehicle (2)

Local authority companies, strategic partnerships and corporate joint ventures have more limited powers

	Local Authority Sponsored Company	Strategic Partnership	Corporate Joint Venture (JV)
Examples	<ul style="list-style-type: none"> <li>Barking and Dagenham, BeFirst</li> <li>Solihull, UK Central Hub</li> </ul>	<ul style="list-style-type: none"> <li>Bournemouth Development Co.</li> <li>King's Cross</li> </ul>	<ul style="list-style-type: none"> <li>Thamesmead Waterfront</li> <li>Coventry Friargate</li> </ul>
Legal basis	<ul style="list-style-type: none"> <li>Legal agreement to set up the entity</li> </ul>	<ul style="list-style-type: none"> <li>Legal agreement after selection of development partner</li> </ul>	<ul style="list-style-type: none"> <li>Joint venture agreement and company establishment following selection of JV partner</li> </ul>
Central or local control	<ul style="list-style-type: none"> <li>Local.</li> </ul>	<ul style="list-style-type: none"> <li>Local.</li> </ul>	<ul style="list-style-type: none"> <li>Local.</li> </ul>
Examples of powers	<ul style="list-style-type: none"> <li>Powers aligned to local authority powers.</li> <li>Planning would remain in local authority control</li> <li>The LASC could prepare certain local plan documents and its officers could prepare committee reports on development but determination remains with local members.</li> </ul>	<ul style="list-style-type: none"> <li>Land assembly powers would sit with the local authority and regional authority as applicable</li> <li>Planning powers would remain with the local authority</li> </ul>	<ul style="list-style-type: none"> <li>Powers to support regeneration would remain with local authority and regional authority as applicable</li> <li>Corporate JVs do not have planning or CPO powers.</li> </ul>

# Delivery Structures - Case Study Examples

# Strategic Partnership

## Case Study - Bournemouth Development Company

### Overview

Bournemouth Development Company (BDC) is a 50:50 partnership between Bournemouth, Christchurch and Poole Council (BCP) and Morgan Sindall Investments Ltd (MSIL).

BCP Council entered into the partnership for a number of reasons, including:

- Using council-owned land assets as a catalyst for wider regeneration around Bournemouth town centre.
- To take a holistic approach and make coordinated and strategic improvements.
- To utilise the skills and resources of the partner in conjunction with the councils own in-house team.
- To benefit from the development profit and to use this to reinvest in public spaces.

### Long Term Vision

The Bournemouth Development Company provides long-term investment through a model known as a Local Asset-Backed Vehicle.

The Council provides assets such as land and MSIL provide value-matched financial input.



# Strategic Partnership

## Case Study – King’s Cross

### Overview

In 2008, Argent, London & Continental Railways and DHL formed a joint partnership, Kings Cross Central Limited Partnership. The partnership was the single landowner at King’s Cross.

In 2016, the UK Government sold its stake to the AustralianSuper pension fund ending its direct involvement with the site after nearly 20 years. The sale attracted more than 100 expressions of interest according to LCR.

The King’s Cross Regeneration Programme involves the regeneration of a 67 acre area in central London. The site was former rail land to the north of King’s Cross and St Pancras stations characterised by contaminated brownfield land .

On completion the site will have 2,000 homes, 3.4m square feet of office space and 500,000 square feet of retail and leisure. The site has attracted the UK headquarters of Google and Central Saint Martins art college.



# Corporate Joint Venture

## Case Study - Thamesmead Waterfront

### Overview

Peabody is the major landowner in Thamesmead town centre and has led the development of a strategic masterplan for Thamesmead Waterfront which promotes the creation of a new community of 11,500 new homes, the delivery of around 1,000,000sqft of new commercial space and the redefining of the existing town centre around a new DLR station, providing a clear identity for the area, intensifying employment opportunities and creating a valuable resource for existing residents. The full development is planned in phases over 30 years with transport infrastructure being a critical enabler to the scheme.

### The Joint Venture

In October 2017, Peabody embarked on an extensive procurement process to secure a strategic master developer/delivery partner for Thamesmead Waterfront. The procurement process reached its conclusion in October 2019, with Lendlease identified as Peabody's Joint Venture partner in a 50:50 arrangement.

### Points to Note

There are parallels with Bristol Temple Quarter given the breadth and complexity of the plans involving transport and flood protection. This JV has been established after 2.5 years work through the procurement process and will require close engagement with other public bodies including Homes England, local boroughs, the Mayor of London and Transport for London.



# Corporate Joint Venture

## Case Study - Coventry Friargate

### Overview

The Friargate masterplan was conceived by Cannon Kirk, the founders of Friargate LLP, who assembled the majority of the land required to regenerate the area around Coventry railway station. The original proposals were for a mixed use development, comprising 2.3 million sq ft of Grade A offices, two hotels and up to 400 homes.

Following the delivery a first office block, which Coventry City Council had pre-let as a new Civic Hub, development had stalled due to lack of funds to drive the scheme forward with a speculative second building.

In order to help facilitate development, the Council decided in 2018 to use some of the grant funding it had been awarded under the West Midlands Combined Authority investment programme to acquire a 50% share in a new Joint Venture Company with Cannon Kirk. This is an independent LLP company with a 50/50 share in the estate, tasked with construction, securing tenants, and marketing the scheme.

The Council is utilising its remaining grant funding as equity towards its share of development costs and is providing a loan to the JV Co with debt raised through PWLB. The intention is to use this approach to facilitate delivery of a second office building, which the JV Co could then either sell or secure additional finance against to facilitate future phases.

### Points to Note

Even with the Council establishing a JV Co, progress to date has not been as swift as its Members would wish. That said, construction on the second office 134,000 sq ft office building was due to commence in October 2020 and a new Indigo branded 4\* hotel will start on site in Spring 2021.



# Local Authority Sponsored Company

## Case Study - Barking and Dagenham, BeFirst

### Overview

The London Borough of Barking and Dagenham created a separate development and regeneration company, BeFirst.

Be First is wholly owned by the council with the purpose of focusing on large regeneration sites across the borough.

Barking and Dagenham is at the heart of London's eastward growth, attracting a number of developers and investors. There is approximately 400 hectares of development land and BeFirst has plans to provide 50,000 high quality new homes and 20,000 new jobs over the next 20 years.

### Points to Note

The company aims to provide a stimulus to regeneration activity across the Borough and has a range of skills in the team including planners, developers and project managers who provide professional services and have expert local knowledge. BeFirst has been able to create a strong Board and hire professionals from the private sector.

Powers remain with the local borough e.g. planning and CPO. The main work areas for BeFirst include development and development management, investment funding and partnerships, land assembly, pre-planning services (including working with applicants through all stages of an application) and promotion of the local area.



# Local Authority Sponsored Company

## Case Study – Solihull, UK Central Hub

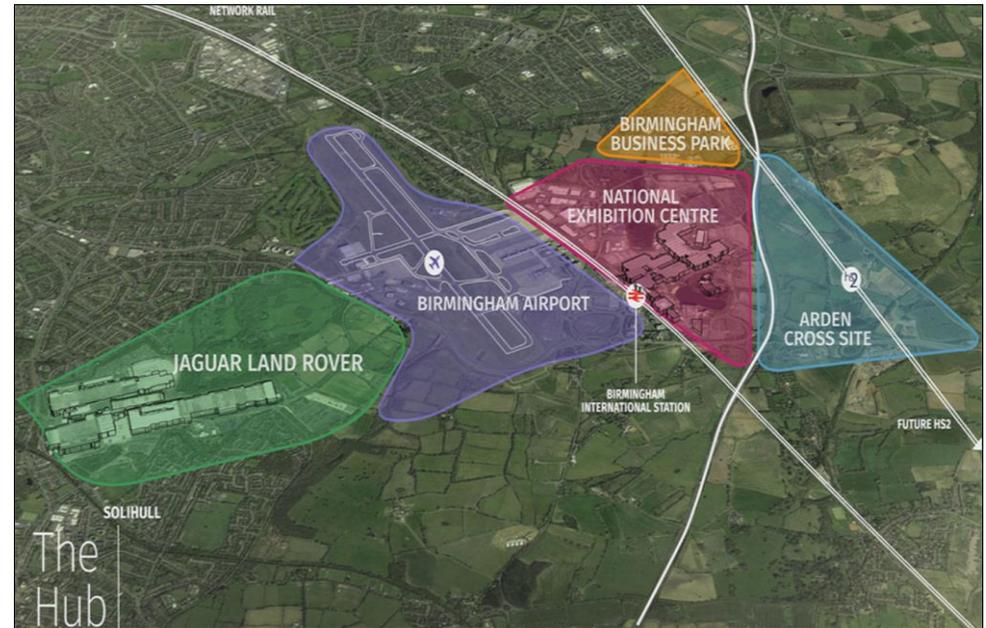
### Overview

The Urban Growth Company (UGC) was formed in 2016 and is a local delivery vehicle that acts as a catalyst for growth supported by Solihull Metropolitan Borough Council (SMBC) and the West Midlands Combined Authority (WMCA). It ensures that ambitions for the area are achieved by coordinating investment plans and growth opportunities.

The UGC is a wholly owned company of Solihull Council but with an independent board consisting of 4 non-executive members, the Managing Director and a Non Executive Chair.

The main purpose of the UGC is to unlock the potential of The Hub which is located in Solihull at the HS2 Interchange Station, which will make it one of the best connected places in the UK by rail, road and air.

A UK Central Hub Growth and Infrastructure Plan has been developed and sets out the scale of the UGC's ambition and the scope of the opportunity for the Hub for a period of 20 years and more (to 2032 and beyond). It also includes the infrastructure requirements needed to maximise the opportunity.



# Mayoral Development Corporation

## Case Study – London Legacy Development Corporation

### Overview

The London Legacy Development Corporation (LLDC) was the original MDC established in 2012. It is responsible for the long-term planning, development, management and maintenance of the Queen Elizabeth Olympic Park and the impact it has on the local area.

The LLDC acts as the planning authority for the Park and surrounding area. LLDC's boundary cuts across parts of four London boroughs.

### Long Term Vision

The long-term vision for LLDC is to regenerate the park and surrounding area into an attractive destination in East London where people can live, work and socialise.

LLDC has a ten-year plan which sets out what they plan to do in and around the Park. Since its establishment, LLDC has overseen an extensive programme of infrastructure provision, new housing development of mixed tenures, new parks and public realm, leisure facilities as well as ongoing park operations, FM and event management. Currently, LLDC is working with UCL to build a new university campus on site together with a new culture and education district.

### Points to Note

The early arrangements for LLDC provide some useful references to potential delivery options at Temple Quarter. In 2009, when the Mayor and Government took the decision to establish a dedicated regeneration body for the Olympic Park, the approach was to establish a company limited by guarantee. The Olympic Park Legacy Company (OPLC) as it was known had two equal shareholders – the Mayor of London and the Government (whose share was split 50:50 between DCMS and the Office of the Deputy Prime Minister). A legal agreement set out the role of the company and governance arrangements. Powers such as town planning and compulsory purchase remained with local boroughs and the London Development Agency (LDA) until the MDC was formally established.

An interim board was created with shareholder representation whilst the permanent board was recruited. Executive resourcing for Day 1 was through TUPE transfer of relevant staff from the LDA covering development, infrastructure, planning and socio-economic skills. Additional resourcing including the Chief Executive was via direct recruitment.

Land was transferred to OPLC from the LDA and other land agreements with neighbouring public bodies, including local authorities, were put in place early. This was key to giving the new body credibility as the lead promoter of regeneration. Ultimately, this early Dev Co structure eased the transition to a permanent MDC structure.



# Mayoral Development Corporation

## Case Study – Stockport MDC

### Overview

The Stockport Mayoral Development Corporation (MDC) has been created to support regeneration in Stockport’s Town Centre West.

The Stockport MDC was officially launched in September 2019 by Greater Manchester’s Mayor, Andy Burnham, using his devolved powers with the full support of Stockport Council and Homes England.

The Stockport MDC is the first development corporation in England to focus on town centre regeneration. It has also secured a high profile chair, Lord Bob Kerslake, the former Head of the UK Civil Service.

### Long Term Vision

The Strategic Regeneration Framework for Town Centre West outlines a proposal for the development of up to 3,500 new homes, 1 million sq. ft of employment space as well as social infrastructure, greenspace, and public realm works.

The Stockport MDC will develop a new model for Town Centre Living that helps meet local housing needs.

### Points to Note

The Stockport MDC does not have full CPO powers which is in line with other regional MDCs. Some powers have also remained with the local authority, such as planning. The justification for this MDC was to bring strategic focus and create a brand around the town centre ambition. The MDC was still required to pass the usual parliamentary scrutiny.



# Mayoral Development Corporation

## Case Study – South Tees MDC

### Overview

The South Tees Development Corporation (STDC) was the first Mayoral Development Corporation (MDC) outside of London. It was set up to promote the economic growth and commercial development of Tees Valley by converting the significant former industrial assets in the South Tees site area into opportunities for business investment and economic growth.

The STDC Board is chaired by the Tees Valley Mayor and supported by a board comprising 3 statutory posts and other private and public sector members. The MDC has CPO powers, but planning powers have been retained by Redcar and Cleveland Borough Council.

### Proposal

The STDC area covers c.4,500 acres of land to the south of the River Tees and includes the former SSI steelworks site as well as other industrial assets.

The STDC has a number of objectives including promoting economic development and regeneration of the South Tees Area, attracting private sector investment, improving the working environment of the Corporation area and contributing to the delivery of the UK Industrial Strategy.

### Points to Note

The MDC was created following the establishment in 2016 of an interim government body (South Tees Site Company Ltd) to manage the former steelworks site.

Since then, the MDC has placed a compulsory purchase order to secure c. 1750 acres of land holdings to provide overall co-ordination and delivery of the South Tees masterplan. The CPO was confirmed in April this year, one year after the CPO was first raised alongside private treaty negotiations.

The site has recently been rebranded as Teesworks, and the process of identifying development partners and investors has commenced.



# Development Corporation

## Case Study – Ebbsfleet DC

### Overview

Ebbsfleet Development Corporation (EDC) was set up by the Government in 2015 to accelerate the delivery of c.15,000 homes and 32,000 new jobs in Kent. Ebbsfleet is sponsored by Government to become a Garden City. It is currently the only Urban Development Corporation in the UK.

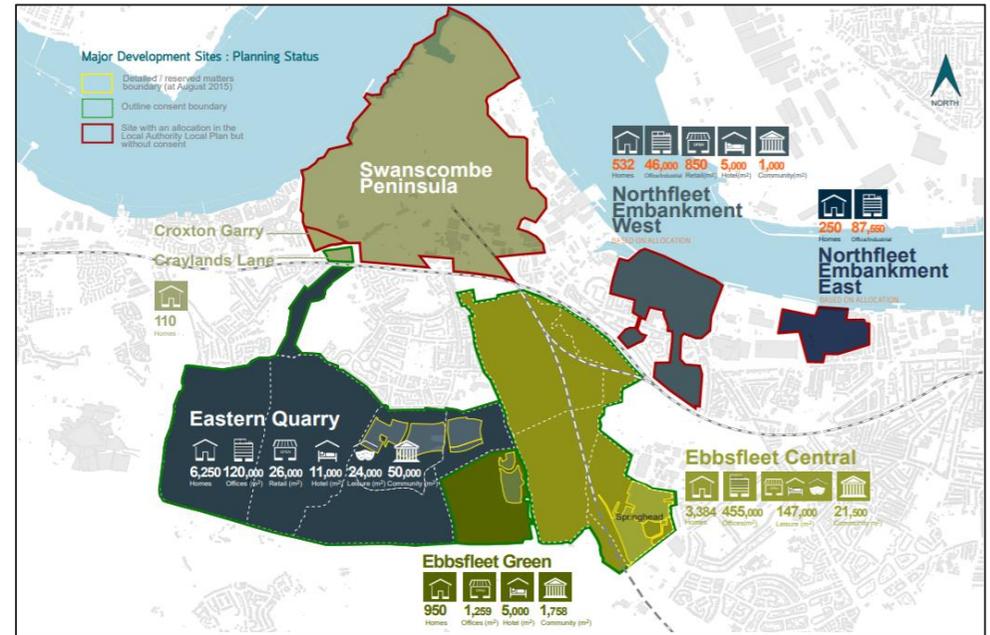
EDC is the planning authority for Ebbsfleet Garden City. Plan making powers have remained with the local authority.

### Long Term Vision

EDC is working with local authorities as well as the local community to bring forward a shared vision for the area, delivering neighbourhoods, workplaces, schools and town centres.

An Implementation Framework has been created which sets out the vision for Ebbsfleet. The EDC acts as a partner to landowners, developers and other stakeholders. It makes investment to implement the framework and accelerate delivery.

Ebbsfleet Garden City now has over 2,000 homes and approximately 5,000 new residents. The first school on the site opened in 2017 with two more scheduled to open soon.



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