

**WE ARE LEVELLING UP
STOKE-ON-TRENT**



Etruscan Square: Procurement

A FORTIOR

STOKE-ON-TRENT CITY COUNCIL ETRUSCAN SQUARE OUTLINE PROCUREMENT STRATEGY

March 2022

1.0 Introduction and Scope

The aim of this document is to set out Stoke-on-Trent City Council's outline procurement strategy in relation to its primary redevelopment opportunity of Etruscan Square, which has the benefit of central government funding through its Levelling Up Programme.

This outline follows on from two separate Levelling Up Stoke-on-Trent events, which have been held in January and February 2022. It is drawn from market insight and with the specialist help from advisors, Arcadis and Savills.

An overview of Etruscan Square Masterplan is outlined below in a tabulated format:

Core Site and Elements

SITE	OUTPUTS	SCOPE
Etruscan Square - £20m of levelling up funding secured	Multi Storey Car Park	695 Spaces to support Arena, Food and Beverage, Commercial and existing town centre demand
Etruscan Square - £20m of levelling up funding secured	Residential	Build to Rent units in 2 phases comprising a total of: <ul style="list-style-type: none"> • 185No. 1 bed newbuild units, • 100No. 2 bed newbuild units • 7No. 3 storey town houses • 15,600 sq. ft Food and Beverage
Etruscan Square - £20m of levelling up funding secured	Commercial	Two phases comprising a total of circa 55,000sq ft
Etruscan Square - £20m of levelling up funding secured	Hotel	138 Bed 3* Hotel
Etruscan Square - £20m of levelling up funding secured	Arena	3,600 (standing) / 2,600 (seated) flexible arena space

In addition to the primary opportunity at Etruscan Square, Stoke-on-Trent City Council has also identified the following greenfield/brownfield residential development opportunities for which they are looking to engage with a development consortium or partner(s).

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Optional Sites and Elements

SITE	OUTPUTS	SCOPE
Booth Street, Stoke Town	Residential	A total of 118 newbuild units offering: <ul style="list-style-type: none"> • 32 affordable rent apartments • 20 shared ownership homes • 66 older person units
Pyenest Street, Shelton	Residential	80-120 Residential units
Former Mitchell High School, Bucknall	Residential	234 Residential units
Berry Hill School	Residential	Circa 200 Residential units

2.0 Competencies and Services

Through on-going soft market testing exercises, a number of potential development partners have expressed a preference to focus on purely the residential elements, while others have expressed the view that they wish to work with the City Council across all elements of the opportunity available at Etruscan Square and elsewhere across the City.

Stoke-on-Trent City Council is now seeking to procure a development consortium (formal contracted partnership) with the track record to coordinate and deliver the residential and commercial elements, in a phased approach, at Etruscan Square (Core), with the option to extend this approach across the residential development opportunities (Optional).

Early delivery of the first phases of the development at Etruscan Square will be unlocked through allocation of the £20m levelling up funding.

The selected development consortium will be responsible for a coordinated approach to:

- Deliver the Etruscan Square masterplan, in a phased approach, prioritising place-making and design
- Delivery of the public realm and implementation of an estate management regime
- Maximisation of value

A development consortium will be appointed with an obligation to provide working capital and share the risk/opportunity of land, infrastructure, development and delivery.

The development consortium will need to include the following competencies and services (this list is not exhaustive):

- Developer or development manager (mixed use)
- House builder/Affordable house builder (residential)
- Funding/financial partner (either senior or junior debt including working capital)
- Contractor/sub-contractor (including specialist remediation sub-contractor)
- Energy/net zero carbon specialist
- Built asset consultancy team (including architect, civil engineer, structural engineer, M&E engineers etc.)
- Arena operator
- Hotel operator
- Development market/valuation advisor
- Cost consultancy
- Planning advisor

3.0 Routes to Market

Early delivery of the new Etruscan Square MSCP and the first phase of residential is seen as essential in gaining public and investor confidence around the wider Etruscan Square development, while agreement of terms on the residential sites will bring in associated land receipts, economies of scale, and cross-fertilised place making opportunities across the City.

Etruscan Square MSCP (outside Core and Optional)

This will be delivered via a stand-alone two stage Design and Build Contract between Stoke-on-Trent City Council and a main contractor with experience of delivering similar schemes. It's crucial that this element is delivered early to create the supporting infrastructure for the wider Etruscan Square development.

It is proposed that this will be procured through the PAGABO Major Works Framework.

The Council will seek expression of interests of competence, working with PAGABO, and will call for these shortly.

Tender documents will then be prepared for a two stage Design and Build Contract, with a view to completing the tender process by July 2022.

Etruscan Square Masterplan (Core)

Stoke-on-Trent City Council is committed to the comprehensive delivery of the Etruscan Square masterplan. To ensure the successful delivery of the proposals for a high-quality mixed-use development, the Council will procure a development

consortium **through the PAGABO Developer Framework (Lot 3c)**. This development consortium is sought for the phased delivery of:

- Residential Phases 1 and 2 (292 homes in total)
- Commercial Phases 1 and 2 (55,000 sq ft in total)
- Hotel (138 beds)
- Arena (3,600 standing capacity)

The consortium will have the option of including the greenfield/residential development opportunity sites noted above.

The £20m levelling up funding for Etruscan Square will be defrayed to de-risk and support early delivery of the MSCP, infrastructure and Phase 1 residential proposals, which will act as the catalyst for the wider masterplan.

4.0 Programme

The following indicative timelines have been set for the following elements of the scheme.

Etruscan Square MSCP Target Programme Dates

Assuming the use of the PAGABO Major Works Framework:

Milestone	Key Date
Planning approval	End June 2022
Tender period ends	July 2022
Appointment	September 2022
Start on site	November 2022
Completion	November 2023

Etruscan Square Masterplan Target Programme Dates

Assuming the use of the PAGABO Developer Framework (Lot 3c):

Milestone	Key Date
Procurement Strategy launch at MIPIM	March 2022
Planning Approval	End June 2022
Expressions of interest	April 2022
Short listing	May 2022
Invitation to Tender	June 2022
Developer interviews	July 2022
Review period and advisory report to City Council	August 2022
Decision by City Council	September 2022
Residential phase 1 commences on site	January 2023

Following the construction of the first phase of residential development and the MSCP, the programme for building-out the remainder of the Etruscan Square masterplan will be driven in part by market demand and appetite, but it is anticipated that momentum will build towards an accelerated delivery programme.

5.0 Stoke-on-Trent City Council Role

The Council will remain a central stakeholder in the programme across all projects; the development consortium will draw down land under a development agreement, subject to an agreed set of development obligations (to include a design code, agreed valuation mechanism etc. use of land as equity, overage position etc).

Maximum returns are not necessarily delivered through highest receipts on day one, but a value capture and overage agreement will be included to ensure best value.

The Council will retain the freehold interest in the development, in addition to being a co-investor with senior or junior debt finance and funding options based on the financial modelling identified during project development.

For questions and queries and initial comments back to the Council, please email the following mailbox by the 1 April 2022:

levellingup@stoke.gov.uk

KEY CONTACTS

Councillor Abi Brown
Leader, Stoke-on-Trent City Council
+44 (0)1782 232468
abi.brown@stoke.gov.uk

Phil Cresswell
Director of Housing, Development and Growth
+44 (0)1782 236648
phil.cresswell@stoke.gov.uk



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