



**BPF**

Unlocking **Growth**  
Through **Partnership**  
**2023**

# Contents

<b>Foreword</b>	2
<b>Overview</b>	3
<b>Key lessons learned</b>	5
<b>A view from inside three partnerships</b>	6
• Newcastle Helix	7
• Marmalade Lane	13
• Preston Barracks	19
<b>Further case studies</b>	25



# Foreword



**Patricia Brown, Vice Chair,  
BPF Development Committee**

Now, more than ever, creating quality places where people want to be and can thrive is fundamental to a well-functioning society.

Moreover, good environments – our homes, workplaces, schools, our neighbourhoods and town centres – have become even more essential to wider societal goals. We know they play an important part in our health and wellbeing. We can see how the design of places – whether at neighbourhood or city scale – can have a more beneficial impact on our planet, by encouraging and enabling people to make positive environmental choices as well as providing the habitats that sustain nature. And they underpin both local and national economies, since attractive workplaces, in a good environment, are an essential part of the mix in attracting and retaining businesses and people.

**“It is even more important that we work collaboratively, to both unlock and get the best from development and regeneration opportunities.”**

The delivery of such places is complex and has become even more so within the current context and challenges. This sustained period of constrained local authority resources is set to continue; the worsening cost of living crisis, inflation and labour constraints; the shifting pattern of living and nature of work triggered by

the global pandemic, all impact the real estate industry and sit alongside the climate emergency and shifting geo-politics.

To achieve the best in the face of such challenges it is even more important that we work collaboratively, to both unlock and get the best from development and regeneration opportunities. The British Property Federation (BPF) and its members are firm believers in this power of partnership, one that leverages the collective energy, skills and knowledge of the different partners across the public and private sectors to make things happen. And while partnerships bring their own challenges, they can also bring significant rewards.

**“find the ingredients of successful partnership-led development – the secret sauce..”**

It is for this reason that the BPF’s Development Committee wanted to drill down to find the ingredients of successful partnership-led development - the secret sauce - to help advance other such endeavours. We wanted to shine a light on some examples that have paid, or will soon pay, dividends for everyone involved especially the people who are living and working in the places that the patience and relationships, commitment, and hard yards on all sides have brought in to existence.

So, a special thank you to everyone who has generously offered their experience and insights we are now sharing with you; especially TOWN, Cambridge City Council, Brighton and Hove City Council, U+I, the University of Brighton, Newcastle City Council, Newcastle University, and Legal and General, along with the members of the BPF Development Committee.

We hope this report provides useful pointers for anyone setting out on partnership working and conveys a strong sense of what can be gained by building strong alliances across the public and private sector.

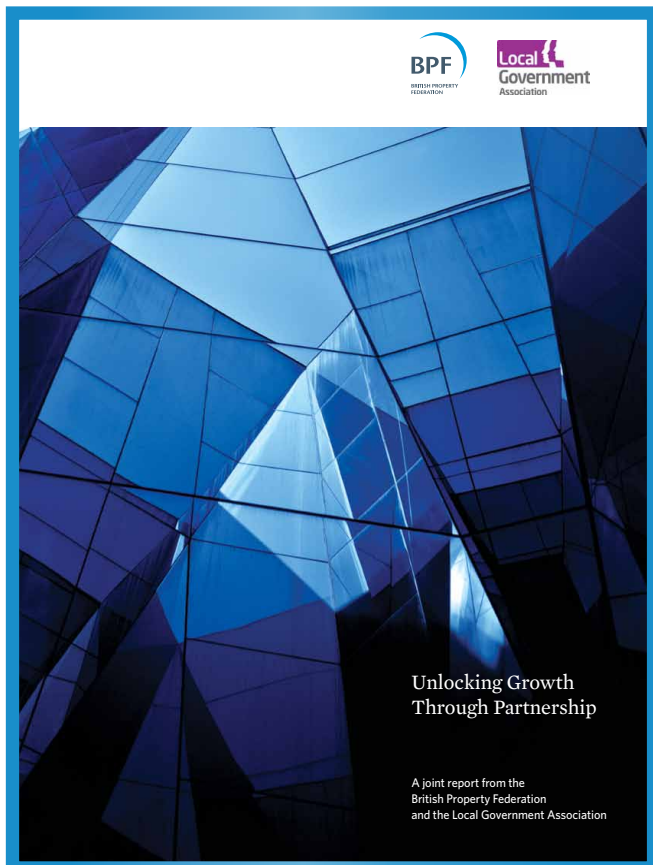
# Overview

## Previous work

It is 10 years since the BPF and the Local Government Association published their joint report, *Unlocking Growth Through Partnership*.

This report was the culmination of a year of working collectively, drawn together in the face of the financial downturn to look collaboratively at ways to reboot stalled developments and thwarted ambitions. As well as making recommendations – including to central government – this joint initiative established direct relationships between hand-picked local authorities across England with selected private sector partners to take projects forward.

Led by a dedicated steering group, the collaboration considered what a more integrated partnership approach might look like, exploring how each sector can leverage its own unique advantages to overcome barriers being faced by their partners.



## Need for an update

In the intervening time, the need to work together constructively and creatively to deliver quality places and homes, to help overcome barriers faced by partners, has become even more important.

The challenges of 2012 have not only diminished, but there is now an even more complex development backdrop with the climate emergency in much sharper focus and ongoing policy and planning reforms. At the same time, the need (and desire) to make a meaningful positive impact on the communities and people we seek to serve in the places we build, remains as strong as ever.

## Partnerships in general

While the importance of ‘partnership working’ is now well understood, and a myriad of reports and conferences focus on this crucial relationship, they frequently offer generic recommendations without getting into the practical details. Ten years on from the BPF’s initial report, the need for good quality partnerships between the public and private sectors is more important than ever to bring about successful, viable, positive change, based on a shared vision, creative thinking and a people-focused approach to long-term stewardship.

Given this, the BPF’s Development Committee wanted to update the BPF’s work drilling into partnerships to understand the pitfalls and challenges, the respective expectations and, especially, the secret sauce of truly successful alliances.

## Detailed practical lessons

The approach to this report, therefore, has been to pull together a wide range of developments that are, will be or have been, delivered through a partnership approach where there are practical solutions others can learn from. They have been chosen to give an overview of the different approaches and range of partnerships that are currently in play. Three were then selected as detailed case studies, giving deeper insights into the issues, challenges, conflicts and solutions – as well as the uplifting potential – that have been, or are being, encountered along the way.

Our aim is to offer pointers and provide useful case studies for those about to enter into a public private partnership and to share learnings and experiences to increase the chances of success.

### **Partnership ethos**

All the people behind the case studies we explored gave generous and invaluable insights and time, and all had one common quality: they cared deeply for their project and the people they were working with, as well as the people whose future home or workplace they were working so assiduously to deliver.



*Television Centre, White City*

# Key Lessons Learned



“Getting behind the scenes of successful Public Private Partnerships is incredibly difficult given their high-profile nature and numerous commercial and political sensitivities – but we are incredibly grateful to our case study partners who were willing to discuss the details of how to navigate successful partnerships. This is what you don’t see in glossy marketing brochures or hear about at awards nights.”

**Matthew Sampson, Regeneration Director,  
The Crown Estate**

## Here are the 10 most interesting lessons Matthew took from the project:

- 1. All that glitters:** Just because a project looks good, or wins awards, or involves numerous parties doesn’t necessarily mean it was a good partnership. Many of the best Public Private Partnerships (PPPs) operate to unlock viability, contamination, and technical constraints. In some cases, just getting a scheme off the ground is a monumental success in its own right.
- 2. Does it fit?** Strategically important and complex sites need the right combination of public and private sector players working in partnership, and there are many examples of failed schemes when there hasn’t been any partnership, the partnership structure was wrong, or the structure or values of the parties involved were not suitable from the outset.
- 3. People not companies:** It is clear from the case studies that it is not actually the private companies or the public sector entities that produced best in class PPP projects but the combination of bold, pragmatic, resilient individuals on both sides coming together under a genuinely shared long-term vision.
- 4. Courting rituals:** It sounds simple but knowing what sort of partner you want before you go too far – in terms of money, skills, innovation, risk appetite, etc – and having a process early on that lets you explore options, and meet interested parties, before over-committing to a certain approach adds huge value in the long run.
- 5. Success is no accident:** Many successful projects have a significant gestation, set-up, thinking, vision setting and problem-solving stage before there is a spade in the ground. Then, they see exponential growth and results if they persevere to the delivery phase.
- 6. No crystal ball:** Nearly all the projects we reviewed needed some form of significant change from the original legal structure or business plan that could have potentially torpedoed the project. All these successful examples generated trust through collaborative working that enabled solutions to be found and changes to be made to keep the projects moving and ultimately become successful.
- 7. Handshakes:** You cannot document every scenario in a PPP agreement. Most successful schemes have key decision makers on both sides who trust each other and who can make decisions and commitments outside of the legal process.
- 8. Get set:** Make sure fundamentals are really well considered and socialised from the outset – with rigorous financial and risk analyses of different scenarios.
- 9. Get under the bonnet:** You need to really understand and reconcile each party’s drivers and constraints and the logic behind them to get to a shared purpose and commitment – and a willingness to solve problems and compromise.
- 10. Success breeds success:** The most successful partnerships often need and attract further partnership working or additional finance, often with central Government or Homes England support, or with innovation grants.

# Public Private Partnership Case Studies

## A view from inside three partnerships

The BPF Development Committee selected three projects to do a detailed dive into via a roundtable format with all partners. The projects were selected based on the potential learnings, the quality of the

outputs, and also to cover a wide geographic, asset class, and partner mix. We also considered the availability and willingness of the partners to speak openly about their projects.

### Newcastle Helix

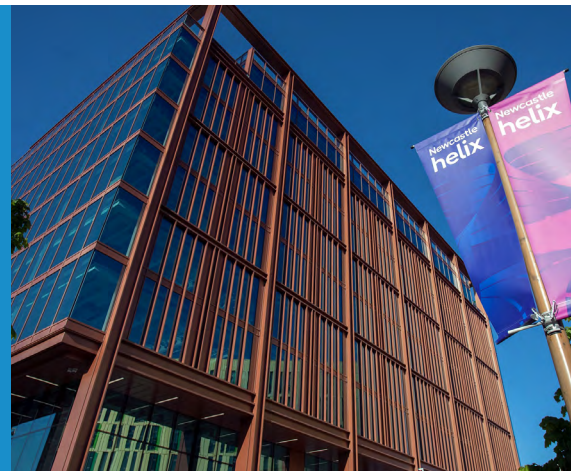
**Newcastle City Council, Newcastle University and Legal and General**

Insight from:

**Ben Rodgers:** Head of Regeneration at L&G Investment Management

**Professor Jane Robinson:** Pro-Vice-Chancellor, Engagement and Place, Newcastle University

**Tom Warbuton:** (then) Director of Investment and Development, Newcastle City Council



### Marmalade Lane, Cambridge

**TOWN, Cambridge City Council, Trivselhus, and Cohousing Group**

Insight from:

**Jonny Anstead:** Founder and Director at TOWN  
**Frances Wright:** Head of Community Partnering, TOWN and resident in Marmalade Lane and Cohousing Group member from 2015

**Dave Prinsep:** Head of Property Services, Cambridge City Council

### Preston Barracks, Brighton

**Brighton and Hove City Council, University of Brighton, U+I**

Insight from:

**Rob Sloper:** Development Director at U+I  
**Neil Humphreys:** Deputy Director of Estates and Facilities, University of Brighton

**Mark Jago:** Preston Barracks Project Manager, Brighton and Hove City Council



# Case study one: Newcastle Helix





# Newcastle Helix

## Key Facts



**What:** Newcastle Helix is a landmark 24-acre hybrid city quarter in the centre of Newcastle that is now home to industry leaders, businesses, and top researchers within an internationally renowned £350m innovation district. The development will eventually create more than 4,000 jobs, 500,000 sq ft of office and research space and 450 new homes.

**Who:** Newcastle City Council, Newcastle University and Legal and General

**When:** 2005 – ongoing

**Structure:** 33/33/33 Development Company structure, Income strip (regeneration lease), Forward Funding Agreement, and Developer Agreement.

What is now Newcastle Helix was conceived as a 24-acre innovation hub and collaborative ecosystem for public and private bodies in the Newcastle region, built for international tech and science businesses, the local community and residents. It was created through a partnership between Newcastle City Council and Newcastle University and Legal and General.

Across the region, city-centre breweries were moving to out-of-town locations. When a major supermarket chain planned to build a 100,000 square foot supermarket on one such site in Sunderland it led to a long, hard-won, court battle to stop it, born from a fear of the negative impact on the city centre. When the 24-acre Scottish and Newcastle brewery site was vacated in Newcastle city centre, the city council was fearful of the same challenges. The site – the largest ever to come to market in the city – abutted the city’s historic core and there was significant concern that, in such a marginal market, any potential private sector development would not be regenerative and likely to compromise the city’s architectural merit.

Taking the site into public ownership was seen as the best way forward and so a tripartite arrangement was made between Newcastle City Council, Newcastle University and One North East, the then Regional Development Agency (RDA), to purchase the site. Alongside this, collaboration

was already underway between Newcastle and Gateshead councils on a range of planning and place-based policies for the urban core, with the Helix site within that. This would eventually lead to the Accelerated Development Zone that would help propel Helix forward.

Following the closure of the RDA in 2012, the city bought out its share, leading to a joint venture with an ownership structure of two thirds/one third land ownership between Newcastle City Council and the University respectively. A private sector partner was needed who wanted to be part of the vision and could support moving the site forward at pace. In 2017 Legal and General invested £65m, and the private-public sector partnership was born to create a world-renowned global hub of innovation, not only to support economic growth but to develop new products and innovations that help people to live smarter, healthier lives, both now and in the future.

The partners formed a 33/33/33 development company structure, and it was agreed that land could be sold to the development company but this has rarely happened. Every deal is structured as a land transaction at market value, verified by a third-party valuation. Ground works are done before that land transaction so that ‘the state aid is in the ground.’

# Newcastle Helix

## What were the key objectives for the project?

The starting point for the two initial partners was to spearhead a development of fitting quality and ambition for such a prime city centre location and bring sustainable value to the city. There was a basic vision for an ‘innovation quarter’, with business-focused Research and Development (R&D) as its anchor, which chimed with the university’s interest in connecting its innovation and scientific activities with the aspirations of the city and the place. This led to the aim of a ‘Science City’, a mixed-use scheme that would marry academic, residential and business uses within a sustainable urban development; creating a ‘living lab’ – an iterative test bed. This broad ambition morphed into the notion of a quadruple helix, representing the shared belief in the whole being greater than the sum of the parts, and hence the district’s name.

**“How do you successfully combine a university’s focus on innovation and research with the ambitions of the city for the place? Data, energy, and life sciences were quickly identified as key unifying themes.”**

Professor Jane Robinson, Newcastle University

On Legal and General Capital’s part, its board wanted to invest in a regeneration project that

helped deliver the group’s mission to ‘do more, be better and create positive change’. This project ticked a lot of the boxes in terms of sustainability, a community focus, innovation, and marrying all of this with Legal and General’s long-term income funds to invest where others couldn’t or wouldn’t. It seemed a unique opportunity - evidence of a partnership between the university and council with a real willingness to get it done, aligned with a great piece of land in the city centre, and a masterplan already in place. It did no harm that Legal and General’s Chief Executive was from that part of the world and understood the local market dynamics.

## Why was it a success?

The project brought so many different perspectives and stakeholders together, with both a strong shared vision and can-do attitude from all partners that overcame any short-term politics.

**“It has kept true to the original vision and brief: the design quality, creating a strong mixed, community, a pedestrian-centric public realm as well as employing a lot of local people.”**

Ben Rodgers, Head of Regeneration, Legal and General



# Newcastle Helix

In addition, Newcastle and Gateshead negotiated a City Deal, covering four areas of the city, including the Helix area. This meant any growth in business rates in those areas would be retained by the councils for 25 years, allowing the council to take more risk than usual since the upside was so huge.

The choice of partners, the structure of the legal agreements and the technical expertise within the council and the approach by the various lawyers were all critical to success. A strong culture of trust and transparency has been created, underpinned by a willingness to work together, and a commitment to investing the time to do so. In fact, from the outset there were strong relationships forged at the very top on all sides, with senior politicians and executives then maintaining their commitment to relationship-building including social interaction – such as dinners and football – that helped strengthen trust.

**“The rebranding of the project from ‘Science Central’ to ‘Newcastle Helix’ shows in a small part why the project was successful... It was a move away from one parties’ aspiration to place greater emphasis on the importance of collaboration – the four parts of the quadruple helix being the University, the public sector, the private sector and the local community – and the whole being greater than the sum of the parts.”**

Ben Rodgers, Head of Regeneration, Legal and General

## What were the biggest challenges for the project?

Having agreed that Legal and General was the best fit, in terms of shared ambition and intent, the public sector partners had to figure out how to bring them into an established partnership and meet the three tests of best value, procurement – the trickiest – and state aid rules. It needed to be transparent, and while there was keenness to get the deal done, it was difficult to get this in place while making the numbers work to deliver viability and Legal and General’s aspirations.

To add to the mix the site is on the side of a hill as well as a former coal mine pithead, so these physical elements also brought challenges on viability.



Since the university is a charity it couldn’t operate outside of its core charitable purposes, thus use its resources for anything other than education and research. It also meant it couldn’t invest in anything that might make either a loss or a profit. The university set up an arms-length company structure, which meant that the Helix project could be delivered as a stand-alone project apart from the university activities. This sort of model is increasingly used by universities to insulate the project from the rest of the university.

## Building the partnership: the selection and bid choices

The public sector’s strong vision, including on what should comprise a good development agreement, meant there was a determination to get the right partners in place. In addition, the council wanted a blue-chip financial partner, and was keen to omit the developer stage. So, it was felt that Legal and General had the rare combination of the financial might and the development skill set.

**“Parity of esteem and equality of partnership were important to finding solutions and compromises as there were no junior partners.”**

Professor Jane Robinson, Newcastle University

For Legal and General, the project didn’t really fit into a particular mould of previous investments. It was the leap of faith taken by the council and the university, and their flexibility that made it compelling for Legal and General.

# Newcastle Helix

**“The most important factor in the attractiveness of the project was the willingness of our partners to grab the project by the scruff of the neck and make things happen.”**

Ben Rodgers, Legal and General

## **What were the most difficult points of negotiation with your partners?**

While the partners had agreed what was wanted in terms of the structure, one that was in itself an unusual structure and arrangement, it needed to be put into a legal framework. The role of the lawyers was key, and the instruction to the lawyers was ‘make this happen’ rather than get one over on a partner. It took a lot of time to make sure the structure worked, including time working with relevant counterparts to make sure that the numbers worked and were as competitive as possible, but mitigated risk. The result was a very transparent and honest process, but it wasn’t always easy. It took eight months and a raft of legal documents to get the deal over the line. A willingness to work together was critical.

**“The City Deal and business rates retention essentially means central government contributed to the success of this PPP too.”**

Tom Warburton, Newcastle City Council

## **Where did your partners exceed expectations?**

The collaboration throughout every stage completely exceeded expectations for Legal and General - the can-do attitude, a willingness to deal with tricky issues and the leap of faith from the university and council to adopt a flexible structure all combined to making it such a successful partnership. For the university, the approach to parity in the partnership has been important. There is a sense of resilience that has been built by working through some really hard issues that carries the project forward, which has helped keep momentum on delivery throughout COVID. The extent of Legal and General’s contacts were extensive and proved invaluable, leveraging relationships and brokering deals that would be



# Newcastle Helix

much more difficult for the council working alone.

## **What would you have done differently?**

While it was a good concept and the right idea at the time, delivering the energy centre was a big challenge especially as it came into the mix so late in the day, and there is a shared sense that a more energy efficient route should have been taken. It is a victim to the length of time that big regeneration projects take, while sustainability evolves quickly. How do you build in flexibility and necessity for failure?

## **What external factors such as policy changes could have assisted the project?**

The City Deal/Accelerated Development Zone (basically a Tax Increment Financing or TIF model) was critical – but it was tough to make the case for it, so there is a need for the Government to enable these kinds of mechanisms. There may be different ways in which universities can contribute to development and regeneration, but currently there are more barriers than incentives.

It has not been so easy to replicate in other places as often potential partners have different politics and risk appetite that stifles the can-do attitude needed to make those projects happen.

## **What recommendations would you have for others who are thinking of entering a PPP?**

The people and cross-sectoral relationships are crucial, especially working with those who have ‘real world’ experience and experience of the working of central government. There needs to be more enablers; the political will shown by Greg Clark MP was helpful, who saw the value and that the partners had done a lot of de-risking for the site, which was important.

People need to understand the scale of the undertaking and respect the long-term nature of partnerships. They need to be realistic; it will not be easy. Much of the value is in the people and the continuity of those involved; be very clear, as in the case of Newcastle City Council, on the type of partner that is needed. A shared purpose and desire to find a way through – being able to look beyond our own individual institutions’ goals – is key.

# Case study two: Marmalade Lane



# Marmalade Lane, Cambridge



## Key Facts

**What:** Marmalade Lane is a 42-home cohousing development and now community, which is part of a planned extension to Cambridge called Orchard Park. All residents benefit from shared spaces and amenities in addition to private homes and gardens.

**Who:** A partnership between Cambridge City Council as landowner, a cohousing group as client, TOWN as developer and TRIVSELHUS as funder and supplier.

**When:** 2011 – 2018

**Structure:** Conditional Land Sale and Cohousing purchase agreement.

Orchard Park, a housing-led extension to Cambridge, began in 2006 with a vision of delivering community provision ahead of housing. Following the financial crash of 2008/9 Orchard Park stalled, leaving only the housing association developers on site. When the developer of a one-hectare plot with outline planning permission for 37 market sales houses - known as K1 - pulled out, landowner Cambridge City Council decided to take control. In 2011 the council – inspired by Vauban, a large self-build development in Freiburg – commissioned a feasibility study for the designation of the land for self-build. In addition to the land receipt, the council was seeking to drive up quality and encourage sustainable homes and communities. The council then identified cohousing, a form of group self-build, as its preferred option because of the added social and community benefits.

The result was the selection of TOWNHUS, a partnership formed of developer, TOWN and TRIVSELHUS, a Swedish eco-manufacturing and house building company. In 2016, after a design process that involved TOWN, Mole Architects, and members of the cohousing group working together, full planning permission was obtained from South Cambridgeshire District Council. In 2017, Coulson Group Limited was appointed as the building contractor and work on the site began, with the

first members of the cohousing group moving in December 2018.

## What were the key objectives for the project?

There was a financial imperative for the council, since having agreed a sale on the wider site, it had bills to pay as part of the collaboration agreement. ‘K1’ was therefore a commercial venture needing to recover costs as well as move the whole Orchard Park scheme forward as speedily as possible and drive housing numbers to fund essential community provision and infrastructure – such as bus stops. At the same time, the council wanted to lead the way on sustainability and quality under their ‘best value’ obligations.

**“We wanted to demonstrate that you could achieve quality and sustainability but still get good value from the site.”**

Dave Prinsep, Cambridge City Council

Within the cohousing partners, there was a keenness to take forward a cohousing development and be part of the Orchard Park community, plus an alignment on sustainability.

TOWN was a newly established SME developer when the opportunity arose, and the project

# Marmalade Lane

requirements were well matched against its offer. And, since it would be difficult for a more conventional developer to do, it meant TOWN was able to compete on quality in a way that wouldn't normally be possible at that stage. It was a chance to deliver something tangible, demonstrating what a good quality housing scheme can be.

## Why was it a success?

A key measure of success for all partners is that the development happened and is very successful; it looks good, and people are happy living there. The partners feel that the scheme is replicable and capable of various permutations. Also, from an SME developer's perspective, it was profitable and has a good profile. This is valuable when trying to do something a bit different, since it raised the understanding of the cohousing niche and possibilities.

**“It's got good profile, so from our point of view as an SME that matters a lot.”**

Jonny Anstead, TOWN

The project's three-party contractual structure contributed significantly to this success with the council, as landowner, selling the land to the developer to build the homes for sale to the members of the cohousing group, and the group would then buy the remaining freehold for one pound. This put the council in the position of referee, helping maintain momentum. The cohousing group members were a diverse group of people, with differing views and opinions about the nature of the arrangements and a degree of suspicion and cynicism about developers but recognised that they had to self-manage to contain this. This was in part down to the people involved, who also recognised the opportunity and rarity of the scheme, along with the need for the group to give a clear direction to the professional team.

While the arrangement cleverly aligned the contractual interests, there was also, as importantly, an openness and honesty between the parties. There was a willingness to be straight about difficult realities that focused minds, and without that it either wouldn't have happened at all or not delivered such a good scheme.

## What were the biggest challenges for the project?

One of the biggest challenges was the lack of specialist experience and knowledge inside the council for a project like this, though having members' buy-in helped. At officer-level, there was the issue of handling scepticism over whether this would work, balancing financial considerations with delivery and with uncertainty over how much time and effort to invest.

TOWN's principal challenge at the outset was how to price the project given it was unique in terms of the risk profile. The council's ambition to do something very progressive led to strong parameters about certain qualitative elements, such as build cost premium, quality of installation and performance, while also deferring its land receipt. Add in the cohousing group that had its own demands, there were a lot of people to manage, which required a considered approach. In terms of margin and de-risking, this was applied more like an art, not a science, which TOWN was able to do at that stage of its growth.

The time it took to get off the ground was difficult for the cohousing group as it led to churn in membership. As was managing the expectations that it wasn't self-build; being part of a partnership meant the group was not in control of timescales, and there was uncertainty around the ultimate





# Marmalade Lane

cost of homes. Transitioning from having a project manager to becoming self-managing was also a challenge.

Risk was another factor for the cohousing side, as was setting the detailed brief necessary to obtain outline (but detailed) planning permission, which was important as it was felt to be the only means to have some control when it went out to tender. This led to very high levels of specificity that TOWN had to respond to, but this ultimately led to a good collaboration and process. Workshops were used to drill into details, gaps and non-negotiable issues, such as the energy source, to ensure the right outcome was delivered for both parties. This consolidated trust.

## **Building the partnership: the selection and bid choices**

For the council, building the partnership was an evolutionary process, moving from key advisers - Instinctively Green and C2O Futureplanners - at the start to the cohousing partners and, eventually, the selection of a preferred developer. The council went on to select and involve the cohousing group in the development partner selection, learning from the group's consensus decision-making along the way.

The developer was selected through a process, which started with setting out what the council wanted to achieve. There was then a two-stage procurement, assessing delivery and experience

and best fit, with the first stage helping refine the second stage. The land sale agreement required the developer to work closely with the future residents in planning the scheme. TOWN and TRIVSELHUS, working with Mole Architects, were the most appropriate partners, along the way winning the confidence of the cohousing group through the team's positive response to constructive feedback.

TOWN decided to bid for this, confident that the nature of the project made its model a better fit, unlike other projects where it would be hard to compete with large developers on supply chain costs, etc. This made it more competitive, offering a level playing field. The two-stage process, with stage one 100 % focused on quality, while demonstrating the ability to meet a minimum (and realistic) land price and stage two split 60%/40% on price and quality, ensuring that quality was still central to the process. This meant there was a high probability of getting to the second stage, and this, combined with the clarity of the vision, meant the rules of the competition felt fair and well judged.

## **What were the most difficult points of negotiation with your partners?**

The hardest part was getting the contractual arrangements and documentation correct between the partners, making sure that it was thoroughly thought-through and well-drafted. This also created the framework to deal with the implications of insufficient interest from



# Marmalade Lane

the cohousers. This required honesty and trust on all sides to be true to the brief and get the pricing structure correct. There was a point where viability was an issue due to increased build costs, in part due to delays on S106 negotiations, and something had to shift. The solution was to revisit on an open book basis the land price with the council and values with the cohousing group, who were working with out-of-date and unworkable figures. While this was a difficult issue to resolve, leading to some loss of trust, it was the honesty and collaboration on the solution that led to its resolution. Getting to a solution was complicated, but equitable, and was aided by an open-book approach.

**“You need to have a lot of conviction, but you also need to be very honest with your partners about where your conviction ends or where your knowledge ends or where you have problems.”**

Jonny Anstead, TOWN

## Where did your partners exceed expectations?

TOWN impressed the council with the flexibility and range of options being offered; with choice of property, type and specifications. So, while it wasn't a self-build, it gave a wide choice of options to the cohousers, who in turn put in an impressive amount of effort and commitment.

Indeed, all parties were impressed by the other

partners' staying power, tenacity and commitment and their willingness to make the spirit of the arrangements work. This was supported by the political commitment and the strength of officers' tenacity in ensuring it delivered its intent, which helped everyone stay on course in the face of delays and problems. On the cohousing side, the same sort of tenacity held the group members together. Without that, if members fell away, it could have started to unravel and wouldn't have been the same project.

## What would you have done differently in hindsight?

All partners agreed that it would have been better to have kept up the momentum; there were way too many pauses, in part as there was too much attention to the details that were not fundamental to the arrangements in the early stages. All this contributed to a slow start. The cohousing group has brought a huge value to the stewardship of the wider site, such as creating a mural on adjacent site hoardings and organising litter picking. It was thought that they could have done more if they had been part of the wider Orchard Park much earlier to help create the place.

**“Social infrastructure is not just about buildings, it's about people and their networks.”**

Frances Wright, Cohousing Group



# Marmalade Lane

## What external factors such as policy changes could have assisted the project?

There was a general view that a lot of this needs to be planning-led, since if this sort of ambition isn't factored into site allocations it is unlikely that it would go forward. Design codes are also an issue: applying a site-wide design code can reduce the opportunity of schemes like Marmalade Lane, which are meant to be a 'sort of self-build'. There also needs to be a greater acknowledgement and better understanding by the planners of the status of both cohousing and custom build. This is vital to achieve the necessary flexibility and avoid the significant negotiations that happened in this project, including a rigid attitude to levels of car parking that the ultimate homeowners simply didn't want, especially since Cambridge has one of the UK's highest cycling rates.

TOWN also wanted to have more flexibility on the approach to the external finishing of the dwellings; allowing purchasers to have the option – even after planning – to make a choice from a pallet of four different brick colours. Planners were not keen, wanting the myriad of scenarios modelled under CGI. Given this was a vanguard project, there has not yet been another Marmalade Lane, so there must be policy changes to help make projects like this happen.

There also needs to be more flexibility and local determination around what constitutes 'best value', taking more account of outcomes such as health and reduction in isolation, rather than focusing exclusively on social or affordable housing. In the case of Marmalade Lane, Cambridge used its wellbeing powers and sustainability requirements to set out its stated policy outcomes.

**“Under the current rules, the council can never be wrong if they just basically auction the site to the highest bidder. But what they don't usually realise is that you can set policy outcomes around a project, and you can then still set and obtain best value taking that into account and making sure you are being competitive but with those policy outcomes being fixes.”**

Jonny Anstead, TOWN

## What recommendations would you have for others who are thinking of entering a PPP?

While it is a difficult issue to grapple with and

codify, there is a need to find a balance between a contract and trust: a contract can't cover everything, so there must be a degree of trust. It was felt that the selection process and choosing the right people is important to this, looking for a track record and evidence, while placing greater emphasis on some of the things that are harder to measure, such as cultural fit. In this case, the cohousing group wrote the first draft of the questions and criteria for the first round of the tender and were naturally thinking along those lines.

There should be an understanding that a partnership has to work for everyone; the cohousing group had as its mantra 'it's not all about us'.

Being aligned on vision throughout the whole process is crucial, plus flexibility about achieving the end goal. Getting the right balance between honesty and clarity is important, backed by honesty with respective partners about where conviction, or knowledge, ends to help resolve any issue and solve problems.

There's a need to think about different time horizons: the developer's role is (usually) short term, so acknowledge that head-on and then work to long-term outcomes. The contractor will also be working to a different timeframe and level of interest. So be very honest about who's in it for the long-term and the short term and yet work towards measurable and enforceable longer-term goals.



# Case study three: Preston Barracks



# Preston Barracks, Brighton



## Key Facts

**What:** The redevelopment of the former Preston Barracks and University of Brighton to establish Brighton's Lewes Road area as a thriving new academic and economic corridor. A £200m GDV scheme delivering a 50,000 sq. ft Plus X innovation Hub, 369 homes, and 534 student bedrooms.

**Who:** Brighton and Hove City Council, U+I, University of Brighton

**When:** 2014 – ongoing

**Structure:** Conditional land sale and development agreement.

Brighton and Hove City Council (BHCC) bought the Preston Barracks site from the Ministry of Defence (MoD) in 2002. The site, on the main Lewes Road, is close to Brighton and Sussex Universities and is an urban gateway to the city from this academic corridor. The initial driving force was to create an employment location, and the first masterplan for the site proposed around 15,000 sq. m of Grade A employment space, despite the lack of demand at the time for that scale of space. As a result, initial plans floundered as it proved impossible to combine the mix of uses that guaranteed the scheme was viable alongside satisfying planning requirements and bringing the local community along, which at that stage included the university as a key local stakeholder.

It was at that point that BHCC formed the partnership with the university, intent on moving from a focus on employment to a mix of uses, including housing, that would be complementary to the university.

### What were the key objectives for the project?

BHCC decided to acquire the site from the MoD because of its significance and potential to contribute towards many of the city's priorities,

given it had wider, strategic, importance – a gateway to the city, and close to an area of significant deprivation that needed regenerative action. If the opportunity was seized, it would make an enormous contribution to both the city and the economy of Brighton. It was with this shared ambition and aspiration that the partnership with the university was formed, to bring this long-vacant brownfield site back into productive use and create a first-class, sustainable, employment-led and mixed-use development to help regenerate the wider area.

From the university's perspective, the area around its Moulsecoomb campus negatively impacted the tone of the university in that location. Therefore, redevelopment offered the chance to enhance its own front door as well as the wider area and provide much needed housing.

While any development that improved the university's offer would have been beneficial, there was also an ambition to create a more coherent campus and develop on-site affordable student accommodation, since Moulsecoomb – its single biggest campus – only had 350 beds for over 10,000 students. Not only did many of the students face significant commutes, but providing more

# Preston Barracks

affordable on-campus accommodation would also release homes for Brighton's wider population.

For U+I, the objective was simply to respond to the brief set by the university and council: the delivery of homes, jobs and repositioning the university as a forward thinking and outward looking campus. The nature of the scheme, with a number of separate sites, was a challenge as, in isolation, no one single site could deliver what was required. An overarching objective for all partners, therefore, was to overcome this challenge and deliver the aspirations: the wider provision of affordable student accommodation, viable office space in a difficult area, and delivery after a protracted period of vacancy.

## What were the biggest challenges for the project

As stated above, the biggest challenge was the competing demands on the site, especially given the wider context. Preston Barracks was located in the top 5% of socially deprived areas in the UK which makes it hard to build homes of sufficient value, and even harder to build speculative offices in an out-of-centre location. However, on the plus side, the university is one of the largest employers in Brighton, and so a successful development would support university jobs.

**“With enough land to rebase and re-pitch an area, quality of architecture and placemaking, the trickiest thing the council came up with was their aspiration for jobs. It was U+I's job to unlock that.”**

Rob Sloper, U+I

The unappealing backdrop of the Moulsecomb campus, sandwiched between two large car parks and a vacant site, also created an issue for the university. It became obvious the car parks needed to be integrated into the scheme and the area developed holistically if it was to fully realise its potential. This in turn brought its own challenges, including bringing together three stakeholders to transform over 10 acres, which resulted in the largest single planning application ever lodged in Brighton.

Achieving the university's aspirations meant unlocking the critical mass needed to make the scheme viable, which required a bold, radical

solution, and the results were ground-breaking for the area - in density, design and scale and type of activity.

**“We identified quite early on that the development must incorporate not just the vacant Preston Barracks site but also the car parking sitting opposite and next to it. The university owns the freehold to the land. But the whole area needed to be redeveloped to realise its potential.”**

Neil Humphreys, University of Brighton

## Why was it a success?

A key success to date has been successfully achieving the council's bold vision to re-establish the employment potential on a site that had been vacant for more than 14 years and yet was, until the 1960s, a productive employment base. Achieving this was not straightforward, especially in a location that was a 20-minute walk out of town.

The defining point was agreeing to include an incubator space, delivered with an operator called PlusX (part owned by U+I), and at the same time demonstrating that the same number of jobs could be delivered on a site half the size and achieve the productivity sought by the council.



# Preston Barracks

Choosing to build this dedicated incubator space for entrepreneurial young businesses brought the development much more than just ‘another’ tenant. In doing so, it bolstered the university’s ambitions to be an outward facing institution and actively support students to become entrepreneurs and cultivate small businesses. Given PlusX secured £7.7m in grant funding it was also critical to the overall viability.

**“I think the legacy of PLUS X is absolutely at the core of the success of a site for me, in that it addressed the council’s economic aspirations, created something that the university could feel part of and benefit from, while not being directly an academic building. Fundamentally, for us, as developer, it unlocked the whole development.”**

Rob Sloper, U+I

In addition to this, the development of the on-site student accommodation has helped support the university’s sustainability agenda by reducing commuting and giving a greater sense of place and a more attractive campus. All this makes student

recruitment easier.

From the outset, all the partners also committed to high quality architecture, working with world-class architects, and it is hoped that this can demonstrate the value and benefit of using the best designers to create places. Despite all the above, partners are realistic that success is relative to the stage the scheme has got to; there are still benefits to be gained.

A further key strength of the partnership is that whilst a coherent development structure is in place, the project is being delivered across three distinct and separate sites. So once through planning, the respective development sites could be taken forward unilaterally, which, other than the challenge of managing contractors working cheek by jowl, helped enormously. The residential, student and PlusX buildings all needed to be delivered in isolation, but the planners had to get what they wanted to see.

The planning consent allows the university and U+I to deliver things in isolation. Careful design and



# Preston Barracks

planning means that all of the plots are capable of being delivered separately except for connecting infrastructure such as roads. Each has its own energy centre, localised energy systems, and draws in its own power. In addition, each party takes a lead on specific common areas – for example co-ordinating S278 works or on delivery of a bridge - with clear lines on funding and delivery from the outset, and step-in-rights if one party doesn't deliver.

## **Building the partnership: the selection and bid choices**

The council already had an established working relationship between the three partners on a scheme at Circus Street so it was dealing with known quantities. That said, the university persuaded the council to be involved in discussions on Preston Barracks given the site is in the middle of its campus and there was a firm interest in getting maximum impact. The council went on to do a land deal with the university, who bought the freehold and, as the university already had a working relationship with U + I, it made sense to explore bringing them in as a trusted partner.

In turn, U+I saw the merits in working collectively, in a tried and tested partnership, towards a solution. While this was an off-market acquisition, so there was no competitive bid, the council had to prove that it was achieving best value and U+I was the best partner. So, there was a formal process and U+I was fully transparent about its numbers. This started at the end of 2012 with agreement signed in mid-2014.

## **What were the most difficult points of negotiation with partners?**

Some of the most significant (though not necessarily contentious) points of negotiation and time was spent getting the commercial side of the agreement right. This was largely to ensure that the assumptions made in the initial stages would be delivered in the final approved and built scheme, as well as provide sufficient benefit to the council and protecting public funds. It took time to develop and agree the mechanism for this, but with a site of such complexity that was to be expected. This path was smoothed considerably by good advice from lawyers for all parties.

This complexity, and investment in time and negotiation, paid dividends as it led to benefits and



greater simplicity later, including avoiding the need for multiple deeds of variation down the line.

There was a bit of tension in the partnership around the speed of decision-making, mostly through the planning process, though that should be balanced against the scale of the planning application. Given this was a ground-breaking and dense project that is unique for the city, there was respect from all sides for the planners. There have been good lines of communication, and project champions at senior-level within the university and amongst the council's politicians, so the decision-making process has been quite smooth.

## **Where did your project partners exceed expectations?**

Making communication a priority between all parties, giving the time to discuss things honestly, has been important throughout the project. A lot of time and effort has gone into regular meetings and timely information sharing; sometimes up to three times a week between U+I and the university.

This dialogue extended to the council, with at least monthly meetings. There was a good dialogue inside the local authority with its stakeholders too, and this helped the planning process, especially given it was the largest application in the city, with a coalition of different councillors from varying political parties. A seven-hour planning committee meeting resulted in unanimous support.



# Preston Barracks



There are elements of the scheme that go above and beyond what might be done if you were just financially driven, such as the bridge across Lewes Road that is, despite scepticism over its delivery, on track. The role of U+I was singled out for the approach they took, as they do see and do things differently.

**“They do take a more flexible approach rather than adopt a very strict view on such things as profit requirements at the outset, where any deviation from that typical level would see the scheme flounder. U+I approach it from a slightly different perspective.”**

Mark Jago, BHCC

## What would you have done differently?

The partnership approach meant that it was hard to say what could have been done differently, other than to make the scheme more profitable, but then it wouldn't have hit the same objectives or vision for the place, which were important. Similarly, getting through the process a bit quicker was cited, but given the complexity and the shared objectives, it was also unlikely that it could realistically be fast-tracked.

There were some more external elements, such as significant challenges on getting power to the

site. Developing a site with one of three key roads into the city centre meant some of the highway issues were more complicated. Some of the things that appear to have added to the timetable, such as a series of preparatory stages – an agreement to a shared vision, protocol for working together, the site capacity assessment, a planning brief and masterplan – might have been condensed with hindsight, but it was part of the journey.

There were multiple contractors working across the sites which require regular coordination meetings to overlap, and perhaps in a perfect world a single contractor would be better. However, the competitive tension ensured getting best value on each individual parcel, especially each partner having to follow procurement rules and requirements. Other PPP projects with a sole contractor can result in the developer getting tied up in knots by going along with the public sector rules. This scheme has been free of this.

## What external factors such as policy changes could have helped?

Even with forward thinking partners, approaching something with such a bold vision can be hamstrung by the lack of flexibility in policy; there have been a lot of hoops to jump through because what was being done was innovative. There have been delays due to needing to demonstrate and validate the approach and debate why it was the right thing to do; for example, the back and forth on the height of the buildings could have been eased if policy had supported that.

## What recommendations would you have for others who are thinking of entering a PPP?

Be bold in terms of the vision and embed quality; pick your partner well, one that is prepared to be in for the long-haul and have the same commitment to quality, is critical. As are the right people and not getting caught up in some of the detail. It is important to develop a brief that everyone buys into, while acknowledging that some flexibility may be needed around that. While this scheme didn't need that in the end, it was useful to have.

Crucially, have aligned objectives between partners and a shared vision, which will assist when there are the inevitable issues.

# Further case studies



# Central Square



## Central Square, Cardiff

**Partners:** Legal and General, Rightacres and Cardiff Council

**Size:** 1.5 million sq. ft

**Location:** Cardiff

**Uses:** Office, residential Build-to-Rent, transport



Central Square is a £450m mixed-use redevelopment of a city gateway site with the ambition of creating a new commercial heart for Cardiff. The project incorporates a five-phase masterplan ultimately delivering space for 10,000 jobs alongside upgraded transport infrastructure and rented residential accommodation. The partnership model has brought together local development expertise through the involvement of Rightacres, alongside a progressive long-term vision for the city through Cardiff Council as a partner, and the certainty of long-term investment from Legal and General. The long-term socio-economic benefits of the project are a core element of the success of this partnership.

# Elephant Park



## Elephant Park, Elephant and Castle, Southwark

**Partners:** Lendlease, Southwark Council, GLA, TfL

**Size:** 3.5 million sq. ft

**Location:** London

**Uses:** Residential, retail, leisure, commercial

Lendlease have been working in partnership with Southwark Council to deliver a £2.5bn regeneration scheme since 2010. By 2025, the project will deliver 3,000 new homes (with at least 25% affordable), 5,000 new jobs during construction and 1,000 in operation as well as over £300m invested in the area's public transport improvements and wider community facilities.

Key strengths of the partnership include pace of the delivery, promises kept to the local community and delivering benefits beyond Section 106 commitments. The long-term nature of the project combined with strong leadership from Southwark Council has enabled Lendlease to go further than the S106 delivering a new business incubator space called The Artworks Elephant, a Construction Skills Centre, and a new retail installation called The Living Room at Sayer Street.



# Knebworth Surgery and Community Library



## Knebworth Surgery and Community Library

**Partners:** Assura and Hertfordshire County Council

**Size:** 12,000 patients, £3m

**Location:** Knebworth, Hertfordshire

**Uses:** Healthcare, cultural, community



The redevelopment of this community health premises addressed the growing need for state of the art, fit-for-purpose primary care facilities to replace the UK's aging healthcare estate. By significantly upgrading the built infrastructure a new GP practice was delivered alongside a pharmacy and community library to serve 12,000 local patients in a single hub. The partnership delivered value for the landowner Hertfordshire County Council and leveraged private investment and skills as well as making arrangements for the community library to serve the community's needs.

# Low Line



## Low Line, Bankside, London Bridge and Bermondsey, Southwark

**Partners:** The Arch Company, Borough Market, Southwark BIDs, Southwark Council

**Size:** 70,000 sq. ft of arches plus public realm

**Location:** Bankside, London Bridge, and Bermondsey, Southwark

**Uses:** Public realm, leisure, commercial

The Low Line is a new walking destination for London along the length of the Victorian railway spanning Bankside, London Bridge and Bermondsey. The project will connect diverse neighbourhoods creating hubs of creativity, entertainment and commerce along its course. The Low Line is a truly bottom-up project with the concept originally coined by a Bankside resident in an entry to a design competition.

Specific initiatives underway include: creating a green linear park connecting people and wildlife; improving connectivity and accessibility in the streets and spaces along its course; breathing new life into vacant and derelict arches and supporting economic activity; increasing environmental resilience along its length and supporting its businesses through innovative greening.

Integral to the success of the Low Line has been continued engagement and collaboration with the local community with a 'Friends of the Low Line' group comprising business, residents and other local stakeholders who are invited to attend meetings to deliver feedback on progress.



# Mayfield



## Mayfield, Manchester

**Partners:** U + I, Manchester City Council, Transport for Greater Manchester and LCR

**Size:** 320,000 sq. ft

**Location:** Mayfield, Manchester

**Uses:** Residential, commercial, retail, leisure

The £1.4bn joint venture regeneration of Mayfield is transforming a previously derelict part of Manchester's industrial heritage into a distinctive mixed-use neighbourhood. Over the next ten years, Mayfield will provide 1,500 homes, 1.6 sq. ft of market-leading commercial space and restaurants, bars, cafés, shops, cultural spaces and a hotel.

The Mayfield partnership comprises a blend of proven placemaking prowess with local insight with all partners bringing essential knowledge and experience to the project. Even in the short term, the partners have successfully worked with local stakeholders to find vibrant meanwhile uses that bring the site to life whilst also respecting local needs and the site's history.



# Slough Urban Renewal



## Slough Urban Renewal (SUR), Slough

**Partners:** Slough Borough Council and Muse Developments, part of Morgan Sindall Investments

**Size:** £1bn development value across the masterplan

**Location:** Slough

**Uses:** Residential, office, hotel, retail

Established in 2013, SUR is a 50:50 joint venture partnership between Slough Borough Council and Muse Developments. The JV is bringing forward £1bn of mixed-use development over a 15-year period with 34 projects already delivered and nearly 2,000 new homes in its pipeline.

The partnership has enabled the council to take a holistic view of its assets and a bolder approach to its portfolio. With a 50:50 ownership structure, SUR is rooted in shared vision and alignment of interests. SUR has been able to take advantage of the Council's knowledge, ensuring that local priorities are met, while the Council has benefited from access to private development and construction expertise and capacity.





# Television Centre



## Television Centre, White City

**Partners:** Stanhope PLC, Mitsui Fudosan, AIMCo and BBC

**Size:** 1.45 million sq. ft

**Location:** London

**Uses:** Office, retail, residential, hotel, studios

The redevelopment of a long standing and culturally significant location has brought a previously inaccessible site into public use as a central part of the regeneration of White City. Comprising cafes, bars, open space, a members' club, hotel, cinema, homes, and 400,000 sq. ft of office space, the project has delivered a mixed-use reimagining of the site whilst retaining strong elements of its historic use. The partnership benefited from a clear vision to revitalise the site to deliver benefits for a new generation of users whilst continuing its use as a creative/media hub. Now home to new residents, the BBC, ITV, and countless businesses.



# Wellesley



## Wellesley, Aldershot

**Partners:** Grainger PLC, Ministry of Defence, Defence Infrastructure Organisation, Rushmore Borough Council

**Size:** £230m, 150 hectares of development land plus 100 hectares of green open space.

**Location:** Aldershot, Hampshire

**Uses:** Residential

This regeneration project transformed 255 hectares of surplus military land into a thriving residential community of 3,850 homes (1,340 affordable) as well as serving as a catalyst for regeneration of the wider Aldershot area. The partnership enabled Grainger to leverage their expertise and experience in housing delivery to secure planning and sell land to housebuilders on behalf of the Ministry of Defence.

There has also been high praise for the design, quality and setting of the new homes and the project itself has a strong reputation with developers who are keen to bid and purchase land to be part of the scheme.



# Millers Quay, Wirral Waters



## Millers Quay, Wirral Waters

**Partners:** Peel L&P, Pension Insurance Corporation Plc, Wirral Council

**Size:** 500-acre site

**Location:** Wirral, Merseyside

**Uses:** Residential

Wirral Waters is one of the largest regeneration projects in the UK. The 500-acre site is part of a wider 30-year strategy to transform the left bank of the River Mersey into an internationally recognisable destination. Northbank is set to become a diverse and sustainable new residential neighbourhood, with Peel L&P working with Homes England to help transform the site. Homes England's intervention in the form of a £6m HIF grant unlocked this key brownfield site for residential development. In an area historically lacking in investment, and one that has subsequently suffered from market failure, the HIF grant has transformed the brownfield site into a viable proposition for delivery of homes to take place.





*Wellesley, Aldershot*

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