

CHEADLE TOWNS FUND UPDATE

**Joint Report Director of Development & Regeneration
and Report of the Director of Place Management**

1. INTRODUCTION AND PURPOSE OF REPORT

- 1.1 This report provides an update on the Cheadle Towns Fund, progress on the projects to date and the next steps. It seeks Cabinet approvals relating to all three of the main Town Fund projects, namely the Cheadle Railway Station, Cycling & Walking and Cheadle Eco Business Park schemes.
- 1.2 In the Council's role as accountable body, on behalf of the Cheadle Town Fund Board, this report requests delegated authority to sign off and submit the full business case documents for the Cheadle Railway Station project to Government for their approval, and delegated authority to sign off and submit the summary business case documents for the Cheadle Cycling and Walking and Cheadle Eco Business Park projects to Government for their review and endorsement.
- 1.3 This report seeks delegated authority to enter, on behalf of the Cheadle Towns Fund Board, all required funding agreements to receive and administer the Towns Fund grant (known as a Town Deal).
- 1.4 It also seeks delegated authority to enter into all contract, consents, partner, land and procurement arrangements, and to seek permissions, as required to build and operate or manage, as appropriate, the three Cheadle Town Investment Plan projects.
- 1.5 Specifically, delegated authority is requested to seek all consents such as submit planning applications for the Railway Station and Eco Business Park and to develop Traffic Regulation Orders as required for all three projects.
- 1.6 Finally, this report seeks approval to incur project development costs to continue to progress the design and delivery of the Cheadle Eco Business Park and to recover this from the project.

2. BACKGROUND TO CHEADLE TOWNS FUND AND PROGRESS TO DATE

- 2.1 In November 2019 the Government launched the £3.6bn Towns Fund prospectus and announced that 101 towns had been selected for support. Cheadle was included in this selection. The purpose of the Towns Fund is to unleash the long term economic potential of towns. Each town was able to apply for up to £25m, subject to value for money, through what is called a Town Investment Plan.
- 2.2 The Town Fund is a unique opportunity to make a transformational difference to Cheadle, maximising its economic potential to contribute to the sustainable

growth of the wider Stockport and GM economy. The Fund allows both challenges to be met and strengths to be built upon. For example, the proposed new rail station will serve the strategic purpose of enhancing connectivity along the airport growth corridor and bringing jobs and investment to Cheadle itself. The Eco Business park will bring a step change in the supply of much needed employment space in both quantum and quality, targeting growth sectors and being at the cutting edge of low carbon technology. The Eco Business Park is intended to be a truly exemplar development.

- 2.3 As detailed in the previous report in October 2020, a Town Fund Board of key stakeholders was established in January 2020. The Board comprises representatives from local business and community groups, the local MP, Stockport Council (Councillors and Officers) and Transport for Greater Manchester. The Board continues to meet regularly to oversee and shape the Investment Plan and its projects, ensuring that actions address local challenges. The Board has also agreed a Town Fund Boundary.
- 2.4 To help develop the Town Investment Plan, and involve local people in the process, an extensive public and stakeholder consultation exercise was undertaken in the summer of 2020. Over 1,200 responses were received. The results of this consultation are available on the Council's website. The findings informed the project proposals and included strong support for sustainable travel, better connectivity and measures to tackle congestion. 76% of respondents suggested that accessibility to the wider rail network should be a priority, and specifically, that a new Railway Station should be provided. Traffic movement/management, new or improved retail space and improved cycle ways and facilities were also in the top four areas for improvement.
- 2.5 Capacity Funding (£125,000) was received by the Council to help develop the Town Investment Plan and undertake consultation outlined above. Guidance and advice were also made available from the Government's Delivery Team consultants.

Stage 1 Town Investment Plan

- 2.6 The Town Investment Plan was submitted at the end of October 2020. It comprised four interrelated projects (see below) and requested £24.89m. Following the Investment Plan review process by Government only the first three were supported to progress.
 - A new rail station at Cheadle, single platform, with associated facilities and parking. This will be future proofed to allow future dualling of the current single track. The station will connect Cheadle into the wider sub-regional transport network, generating business growth and job opportunities.
 - Developing key cycling and walking route that address severance and encourage clean modes of travel between Cheadle, surrounding areas and the proposed new station.

- Delivering an environmentally sustainable business park to support future clean growth. This will provide improved employment land at scale at Bird Hall Lane in an attractive location that will stimulate growth in key sectors and act as a market demonstrator.

and not supported -

- Repurpose a cluster of underused / vacant properties to provide new innovative digital technology and co-working space in the heart of Cheadle, encouraging local working and entrepreneurship.

2.7 In March 2021, Heads of Terms were offered for £13.9m of Towns Fund to support the first three projects outlined above. The offer for the new Rail Station was conditional and is subject to submitting a full business case showing how delivery risks have been mitigated. The Cycling & Walking and Eco Business Park offers had no specific conditions and only require submission of summary business cases.

2.8 The Town Board agreed to allocate the funding as set out below and submitted a Project Confirmation in May 2021 to this effect, along with a draft Monitoring & Evaluation Plan. Spend is up to 2025/26.

- Rail Station - £8.26m fully funded
- Cycling & Walking - £1.20m reduced funding to a north / south route only
- Eco Business Park - £4.44m reduced funding hence reassessed building specification

Stage 2 Business Case Preparation

2.9 The Project Confirmation was approved by Government in July 2021, allowing Stage 2 of the Town Fund process to fully commence. This entails the preparation and assurance of project business cases following HM Treasurer's Green Book guidance. This work has been ongoing with a final submission due by 24th March 2022.

2.10 To help support this work a further £40,000 of Capacity Funding was secured from Government to fund external specialist advice and input. Additionally, the Council has been allowed to draw down 5% of the total Town Fund capital award in advance to support project development. This amounted to £695,000 and was received in autumn 2021 to support all three projects.

2.11 A public consultation was held in October 2021 to gain more feedback on the specifics of the Rail Station and Walking & Cycling projects. The outcome of the consultation suggested there was overwhelming support for the designs presented. 89% of respondents showed agreement with Rail Station scheme and 79% of respondents agreed with the Walking & Cycling measures. Again, feedback has fed into the proposed designs.

2.12 The businesses cases, for which delegated authority is requested to submit, are in final preparation. They entail the following:

- Commissioning technical transport specialists to undertake an Outline Business Case (OBC) for the Cheadle Rail Station project including design and costing work, risk analysis, timetable planning, programming, stakeholder involvement, land deal, and a full Green Book compliant case.
- Design fees and summary Green Book business case for the Cycling & Walking programme, including detailed public consultation undertaken in autumn 2021.
- Commissioning property and sustainability experts to undertake design work up to RIBA stage 3 for the Eco Business Park so that the project will be ready for submission for planning in the summer. This includes design, cost estimates, market analysis, operational plans and bespoke advice around low carbon design options.
- Commissioning an economic expert to undertake compliant strategic and economic cases for the Eco Business Park drawing on the above work.

2.13 The Council has a role in assuring these business cases on behalf of the Cheadle Town Fund Board before they are submitted.

Next Steps

2.14 Once the business cases are submitted there will be a review process from various Government departments depending on the project in question. The Rail Station full case will be assessed by both the Department of Transport and Department for Levelling Up and Housing (DLUHC) / Department for Business Energy & Industry Strategy (BEIS). There is likely to be a clarification process before a Town Deal offer, potentially later in 2022. Meanwhile a planning application will be submitted and there will be further development, costings and industry engagement. Construction could commence in 2024.

2.15 The summary cases for the Cycling & Walking and Eco Business Park will be reviewed by DLUHC / BEIS to assure that they are consistent with the original Project Confirmation. Town Deal offers are expected within a few months following submission. The Cycle & Walking project is divided into three work packages which could commence in 2022. Subject to planning and funding, the Eco Business Park could commence on site in early 2024.

3. THE PROJECTS

3.1 Summary project descriptions have been provided in section 2.6 above. Further details of the three main schemes are provided below followed by Accelerated Fund projects.

Cheadle Railway Station

3.2 It is proposed the new Rail Station will be located on the Chester to Manchester (Mid Cheshire) rail line, approximately 100 metres north of Cheadle High Street and accessed from Manchester Road. It is proposed to comprise:

- A single 100m-long platform with covered waiting facilities, live departure boards and ticket machines which caters for trains in both directions – located to the north of the existing Chester to Manchester train line and accessed from the Railway Station car park.
- A safe access route and covered parking for cycles.
- Parking bays with a proportion of spaces dedicated for disabled users as well as provision for electric vehicle charging points.
- A new vehicular access priority junction on Manchester Road, opposite but offset from the existing access into Ashlea public house car park.
- Footway provision on Manchester Road north and south of the site access.
- Ramped and stepped access into the Railway Station car park and onto the platform.
- Improvements to existing pedestrian and cycle facilities within Cheadle and the construction of new routes that connect into the Railway Station.

3.3 To provide access to the new Railway Station and High Street, and to connect to wider cycle routes on Manchester Rd and in Abney Hall Park, the following walking and cycling measures have been developed:

- A new access junction for the Railway Station along with new signalled crossing for pedestrians and cyclists on Manchester Road. A pedestrian and cycle route will be provided from the crossing to the new access to the Railway Station.
- A shared footway/cycleway on the eastern side of Manchester Road from Newlands Road to the new crossing, underneath the railway bridge, including a raised crossing point at the junction.

3.4 Officers have worked with key stakeholders including Network Rail, Northern and TfGM on the development of the scheme and the delivery of a business case, which is now close to being finalised. To allow the submission of the business case in a timely fashion, the planning application must also be submitted in tandem. The planning application will encompass the new Railway Station, parking, replacement hospital car parking (detailed below) and the associated cycling and walking measures identified in section 3.7 of this report.

3.5 The scheme is located on the current staff car park for the Circle Health Alexandra Hospital, and to enable the works to take place, the purchase of this land is required. In May 2021 draft Heads of Terms were agreed between the Council and Circle Health which outlined that the transfer of the car park land could happen on the basis that the c.100 car parking spaces currently held by the hospital are relocated on the remaining Circle Health operational site. The scheme would finance the construction of those replacement spaces and, should the cost of constructing the car park be less than the agreed cost of the land, the remaining monies would be payable to Circle Health.

3.6 The Council have been working with Circle Health to find suitable alternative areas within their operational land for the car parking. The proposal is currently awaiting formal agreement from Circle Health before formal land negotiations take place.

Cycling and Walking

- 3.7 To provide access to the new Railway Station and High Street, and to connect to wider cycle routes on Manchester Road and in Abney Hall Park, a package of walking and cycling measures has been developed. Ongoing consultation with key stakeholders has resulted in some minor changes to the scheme, as consulted, particularly in the Queens Gardens residential area. These amendments are highlighted below. The package includes:
- A new 3.0m shared pedestrian/cycle route through Queens Gardens from Stockport Road to Newland Road with associated parking restrictions and new parking bays. The consulted proposal included for a 5.0m segregated cycle path at the northern extent of Queens Gardens however, residents raised concerns with regards to the loss of trees and grass and the impact on the privacy of the adjacent block of flats. This cycle path has therefore been reduced in width from 5m to 3.5m which prevents the loss of 3 trees and moves the path further from the adjacent block of flats.
 - Access to Queens Gardens is changed to allow for a parallel 'Sparrow' pedestrian and cyclist signalised crossing on Stockport Road. Access to Queens Gardens will be via Bank Street with improvements to the junction with Stockport Road and additional waiting restrictions on Bank St / Queens Gardens.
 - A signed on-carriageway cycle route, and pedestrian improvements, from Oak Road to Brookfield Park including some junction improvements. Oak Road will be resurfaced between Stockport Road and Brookfield Road.
 - Improvements to the existing footpaths within Brookfield Park to accommodate shared footway/cycleways, including re-surfacing and the provision of lighting. Vehicle access controls will be reviewed to ensure that it is accessible for all users whilst still preventing car access.
 - A shared footway/cycleway on the western side of Shiers Drive including junction works at the access to The Village to improve the crossing point.
 - A new signalised crossing for pedestrians and cyclists on Cheadle Road between the Shiers Road junction and Bruntwood Lane, with a new segregated footway/cycleway to Bruntwood Lane. A Toucan crossing was previously approved; however, the feasibility of a segregated 'Sparrow' crossing is now being investigated.
- 3.8 The Business Case is currently being developed and the scheme will be delivered as part of the Council's Transportation Capital Programme. Appraisal work is being progressed and it is expected that the outcome will demonstrate good value for money in terms of the health, environmental, socio-economic and safety benefits that the proposals will deliver.

Cheadle Eco Business Park

- 3.9 Work is progressing on the design and business case for an Eco Business Park at Bird Hall Lane. This is a key project within the Town Investment Plan. It generates economic growth and jobs, promotes sector development and will provide a high specification space that the market cannot deliver alone. The scheme is well aligned to the Greater Manchester commitment to carbon neutrality by 2038, Stockport Council's Climate Action Now Plan and the Greater Manchester Local Industrial Strategy.
- 3.10 Design is progressing which demonstrates that a modern, sustainable proposal can be achieved providing a significant number of jobs and potentially some 100,000-110,000 sqft of flexible space in terraced formations. This quantum is in line with the Town Investment Plan submission. Sustainability is at the forefront and a Clean Energy Feasibility report has been commissioned which demonstrates excellent potential for the clean energy generation.
- 3.11 Initial stakeholder engagement and market research has been very positive with a recognised demand for such employment space and a gap in current supply. Provisional costing of the scheme has been undertaken. An initial development appraisal demonstrates an almost viable baseline standard scheme but no more. With Towns Fund support however the delivery of the scheme can be supported through funding for abnormal costs and importantly the low carbon / clean energy elements.
- 3.12 There are a range of options for both the delivery of the scheme and its operating arrangements. The options for these are still being explored and as the project develops, these will become clearer. Once we have received confirmation that the Town Deal funding has been secured, a more detailed report on the options and recommended solution will be brought to Scrutiny and Cabinet for their consideration.
- 3.13 The current allocation of capacity funding will only take the project as far as the Town Fund business case submission, 24 March 2022. However, the ambition is to continue to develop the project at pace to design stage RIBA Stage 3 to enable a submission for planning permission to be made in the summer/autumn of 2022. Following planning submission, the intention would be to continue with further RIBA stage 4 design work to ensure that the project stays on programme to draw down the Towns Fund. It is therefore requested that approval be given for a further funding, outlined in the confidential appendix 1. This is to be recovered from the wider project.

Update on Accelerated Fund Projects

- 3.14 In July 2020 the Government announced that £500,000 of Accelerated Towns Fund was available to Cheadle. This is in addition to the main grant. The accelerated fund's objective is to support smaller capital projects that address immediate challenges and fit with the wider ambitions of the Investment Plan. The Town Board submitted a proposed package of projects to deliver early connectivity, encourage people into Cheadle, raise profile and pilot green and healthy solutions. Approval was gained in September 2020.

- 3.15 Many of the ten projects are innovative pilot schemes which could prove models to replicate elsewhere as well as directly benefitting Cheadle. An update is provided in the following table.

Project	Objective / Comment	Progress
Diamond Jubilee Park – fitness equipment	Encourage use of local park and fitness	Complete
Diamond Jubilee Park – Sustainable Drainage Scheme	Partial mitigation flooding along Micker Brook. A local solution to climate change impact.	Complete
Diamond Jubilee Park – footpath improvements	Encourage use of local park, encourage walking & cycling	Complete
Diamond Jubilee Park – learn to ride	Encourage use of local park and young people to learn to cycle safely	On-site (awaiting dry weather for painting)
Abney Hall Park – nature conservation works	Promote biodiversity and encourage use of green space	Complete
Councillor Lane – traffic management measures	Address a local traffic issue by improving a junction. Also, tree planting.	Complete
Cheadle High Street – parklet seating / cycle stands	Encourage active travel and dwell time on the High Street	Complete
Ashfield Road – cycling & walking scheme	Safe routes to schools encouraging cycling & walking	On-site. Planting to commence in March 22
School Streets project – Cheadle Primary School	Now part of a wider TfGM programme to ensure consist approach.	Planned to be complete before Sep. 22
Cheadle High Street - Digital Information Point	Encourage local engagement and raise awareness through community based messaging using remote technology. To be operated by Cheadle Village Partnership.	Planned for spring 22 following final agreements.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1 The Council is acting as accountable body on behalf of the Cheadle Towns Fund Board. There is a requirement for the s.151 Officer sign off each business case before submission to Government. To this effect an internal assurance process is being undertaken with each business case to ensure alignment with the original objectives, compliance with financial procedures and that the projects can be delivered within budget and managed / operated.
- 4.2 The Council will be the capital grant recipient and administrative body and will enter into Funding Agreements for each scheme. The Council, or its delivery partners, will then procure contractors to deliver the works. The Council will be required to ensure that the type and value of works undertaken are eligible for grant payment. It will also be required to draw the funding down from Government quarterly.

- 4.3 The Station and Cycling & Walking are to be fully funded from Towns Fund. The Eco Business Park delivery model is to be developed as the project progresses.

Risks

- 4.4 The Council will need to draw down Towns Fund in a timely manner to ensure that it minimises any requirement to directly fund the project works.
- 4.5 The Council maybe subject to grant clawback if projects are not delivered or are substantially different to the approved business case. In terms of the latter, this risk could be minimised through a change request process. Clawback of grant for non-delivery of projects or outcomes is a common condition on grant funding.
- 4.6 Quantified Risk Assessment (QRA) has been carried out by workshopping key risks for the transport projects, recording them in a register and updating them as schemes progress. The outcome of the QRA provides a calculated risk total for the Cost Plan of each scheme. Similarly, a live risk register has been developed for the Eco Business Park. A summary of the current key risks is set out in the table below:

Scheme	Risk (Threat / Opportunity)	Mitigation
Railway Station	Agree a suitable delivery method.	Ongoing engagement with industry partners to agree a delivery method in a timely fashion.
	Affordability of scheme if costs differ from 2020 funding estimate	Contingency and undertake value engineering.
	Industry acceptance	Ongoing engagement with key stakeholders and further consultation with rail industry partners.
Cycling & Walking	External / internal stakeholder expectations along the route	Early engagement with key stakeholders (residents / businesses and Local Members)
	Diversion of statutory undertaker apparatus	C3 notifications to be submitted to all utility companies along the route
	Affordability of compliance with latest cycling & walking standards (i.e. LTN1/20)	Value engineer proposals to satisfy standards as reasonably practicable
Eco Business Park	Financial market risk if demand and / or rental income is insufficient to recover co-funding within borrowing timescales	Rigorous market research and soft testing shows strong demand. Financial sensitivity analysis will help minimise this risk
	Unknown site constraints and abnormalities	Early site investigations, site layout and mitigation measures
	Fast changing technology of clean energy equipment	Future proof where possible (e.g., use of storage and roof strengthens). Finalise specification at end of design process.

5. LEGAL CONSIDERATIONS

- 5.1 A detailed Funding Agreement (Town Deal) between the Council and Government will be required to be entered into for each project to draw down the grant funding. This is likely to contain conditions on the use of the grant and have a requirement to report on progress, spend and outcomes. These requirements will be very similar to the Future High Street Fund grant which the council is currently administering.
- 5.2 Subsidy Control advice will be sought to ensure compliance where, and if required, on specific project elements. There are no implications in accepting the Towns Fund as it represents funding between public bodies. Procurement will follow the Council's financial procedures to ensure compliance with grant requirements.
- 5.3 Appropriate Traffic Management Orders (under Section 1 of the Road Traffic Regulation Act 1984) and statutory permissions and landowner agreements will be sought as required for the Active Travel and Railway Station projects. The Council is required by the Local Authorities Traffic Order (Procedure) (England and Wales) Regulations 1996 to give notice of its intention to make a Traffic Order (by publishing a draft traffic order). These regulations also require the Council to consider any representations received as a result of publishing the draft Order.
- 5.4 There will be a requirement to enter into an agreement with Circle Health for substitute car park arrangements. There will also be agreements required around the operation of the car park and the station. This is to be covered in a separate report.
- 5.5 As above, statutory permissions and agreements will also be sought for the Eco Business Park, including planning permission, as the project develops. Other legal obligations may arise through the wider delivery and management of the business park, these will be considered in a future report if required.

6. HUMAN RESOURCES IMPACT

- 6.1 Not directly applicable to the report.

7. EQUALITIES IMPACT

- 7.1 All three projects are being designed to promote equal access. This includes full accessibility to the Rail Station and Eco Business Park buildings. The Active Travel project will provide a safer environment for pedestrians and cyclists. Together these projects contribute to the Council's vision statement "Promote equal life outcomes for all by tackling known inequalities across the borough of Stockport".
- 7.2 It is a requirement of the Towns Fund to have regard to the responsibilities under the Public Sector Equality Duty (Section 149 of the Equalities Act 2010). This is considered in the respective business cases.

8. ENVIRONMENTAL IMPACT

- 8.1 The primary objective of the Town Fund is to promote clean growth as part of the wider recovery and transformation of the local economy. The three projects specifically minimise or reduce environmental impact and promote carbon reduction.
- 8.2 The new rail station is proposed in response to Cheadle's traffic congestion issues being isolated for the local public rail network. The station will encourage modal shift onto cleaner transport, offering better connectivity and access. The station car park is designed at a scale to encourage use but avoid further congestion. It will offer EV charging. Initial advice from our appointed planning consultants is that a full EIA is not required for the Cheadle Railway Station, however this is currently under review and if required will be referenced in the planning application.
- 8.3 The Active Travel Cycling and Walking routes will promote first and last mile connectivity encouraging a clean, safe, and healthy alternative to using vehicles. It will provide a North / South route, linking the Station to the south of Cheadle. The CO2 savings for these projects are built into the benefit sections of the business cases.
- 8.4 The Eco Business Park will be a market demonstrator on how to reduce embodied carbon (e.g., material use) and maximise energy efficiency and clean energy generation. The later includes orientation, natural light, insulation and roof mounted solar PV arrays with common battery storage. Design also includes collecting rainwater and promoting biodiversity. Environmental specialists have formed an integral part of the design team from the start and are quantifying these benefits.
- 8.5 Ambitious BREEAM objectives are to be targeted for the Eco Business Park. Excellent BREEAM will be sought and if feasibly achievable the Outstanding accreditation will be strived for.

9. CONCLUSION AND RECOMMENDATIONS

- 9.1 That the contents of this report and progress on the projects are noted, and that Cabinet confirm approval of the approach to the development and submission of the emerging business cases.
- 9.2 That delegated authority is given to the Director of Development & Regeneration, the Director of Place Management, and the Deputy Chief Executive (Corporate & Support Services), in consultation with the Cabinet Member for Economy and Regeneration for:
 - a) The Council, in its role as accountable body and on behalf of the Cheadle Town Fund Board, to sign off and submit the full business case documents for the Cheadle Rail Station project to Government for their approval.

- b) The Council, in its role as accountable body and on behalf of the Cheadle Town Fund Board, to sign off and submit the summary business case documents for the Cheadle Cycling & Walking and Cheadle Eco Business Park projects to Government for their review and endorsement.
- c) The Council, in its role as accountable body and on behalf of the Cheadle Towns Fund Board, to enter into all required funding agreements, and associated terms, to receive and administer the Towns Fund grant (known as a Town Deal).
- d) Authority to enter all contract, partner, land and procurement arrangements, and to seek permissions, including planning permissions, as required to build and operate or manage, as appropriate, the three Cheadle Town Fund projects, reporting back as necessary and appropriate to the Cabinet.
- e) Authority to approve the final schemes and their construction programme following approval of the final business cases.
- f) Authority to enter into agreement with the landowners for temporary access rights and purchase the land necessary to construct the schemes.
- g) To source resources, as outlined in the confidential Appendix 1, to continue to progress the design and development of the Cheadle Eco Business Park in advance of the Town Deal award and to recover this cost from the project.

9.3 Approve that officers develop and consult on the Traffic Regulation Orders to support all three schemes and their construction.

9.4 Agree to authorise officers to enter into final negotiations with affected landowners to agree heads of terms for land purchase by agreement.

9.5 That Authority is delegated to the Strategic Head of Service (Legal & Democratic Governance) to do all things necessary or incidental to the implementation of the above-mentioned resolutions.

BACKGROUND PAPERS

- Cheadle Town Fund Update Report to Cabinet 06.10.20
- Cheadle Area Committee 30th Nov. 2021: Report 'Cheadle Towns Fund - Cheadle Railway Station and Cycling and Walking Consultation Results'

APPENDIX

Confidential Appendix 1 – Financial resource update

Anyone wishing to inspect the above background papers or requiring further information should contact Robert Goulsbra on Tel: 0161-218-1764 or by email on robert.goulsbra@stockport.gov.uk