

CHEADLE ECO BUSINESS PARK AND ADSWOOD DEPOT - CABINET REPORT **DECEMBER 2023**

Report of the Director for Place

Commercially Sensitive – The appendix to this report is confidential by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in respect of which the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members and seek approval to progress with the proposed redevelopment of Bird Hall Lane Industrial Estate into Cheadle Eco Business Park. Located on Bird Hall Lane in Cheadle, Stockport, SK3 0RF. This development is intrinsically linked to the development at Adswood Depot and therefore this report also updates members and seeks approval on the development at Adswood Depot (Eco-Centre). Located at Adswood Rd, Adswood, Cheadle Hulme, Stockport SK8 5QY, the Depot sits within the Bramhall North Ward.
- 1.2 The report also seeks delegated authority for the Director of Development and Regeneration (Place) and Deputy Chief Executive (Corporate and Support Services) in conjunction with the Cabinet Member for Finance & Resources to take all steps necessary and required for the delivery of the Cheadle Eco Business Park and Adswood Depot Redevelopments, including entering into any consultant and construction contracts and bringing forth the necessary planning applications for each.
- 1.3 To seek delegated authority for the Director of Development and Regeneration (Place) and Deputy Chief Executive (Corporate and Support Services) in conjunction with the Cabinet Member for Finance and Resources and the Strategic Head of Service (Legal & Democratic Governance) to take the necessary steps to implement the strategies set out in this report.
- 1.4 This report follows the reports previously brought to cabinet for Cheadle Eco Business Park to approve the procurement of a Development Manager in March 2022 and the report in June 2022 to seek approval for the acquisition of the Adswood Depot site.

2. BACKGROUND

- 2.1 Cheadle Eco Business Park is to be on the site of the current, Council owned, Bird Hall Lane Industrial Estate, see location plan Appendix 1. The property is an employment site of approximately 7 acres. Current occupiers are Council service providers, the largest of which is Totally Local Company.
- 2.2 The site has been identified for several years as a strategic redevelopment opportunity. The Bird Hall Lane site is under-utilised, has dated property infrastructure, and is poorly and inefficiently configured resulting in an opportunity to maximise its' operational and employment output and support clean growth. The current buildings are approaching

the end of their useful life and would start to become uneconomical for continued occupation. Redevelopment and alternative accommodation for existing occupiers would be required in any event in future years.

- 2.3 Following a successful Town Fund Investment Plan, in May 2021 the Town Board's project confirmation process allocated £4.44m to the Eco Business Park out of the overall £13.90m awarded to the three Cheadle Town Fund projects, the new rail station, the Eco Business Park and active travel improvement schemes. The project aligns with clean economic growth objectives through employment generation on brownfield land and by achieving high environmental performance and the use of green technology. The grant money for the eco park was awarded on the basis that it will be used to bring forward employment on the site and enhance the sustainability and environmental credentials.
- 2.4 The Council intend to redevelop the Bird Hall Lane site into a modern business park, providing c.115,000 sqft of high-quality employment space that will act as an exemplar for low carbon technologies and clean energy production alongside job creation, economic growth and amenity improvements to the surrounding area.
- 2.5 The design of the scheme is progressing well, and a wide range of exciting sustainable technologies and construction methods are being considered as part of the development. Clean energy generation forms a key part of these plans along with consideration of potential timber frame solutions, enhanced external materials, sustainable drainage systems, enhanced external amenity spaces and high levels of biodiversity net gain.
- 2.6 The key proposed dates for delivering the Eco Business Park include: targeting submission of a planning application in December 2023; demolition of existing structures commencing from Autumn 2024; main construction package to commence start 2025; anticipated completion of the Business Park towards end of 2025. These dates remain indicative at this stage.
- 2.7 Network Space Developments were appointed in March 2023 to support the Council with Development Management services to help the Council deliver the desired outcomes for the site.
- 2.8 The Eco Business Park site is occupied by SMBC services, the largest of which is Totally Local Company (TLC). To allow for the site at Bird Hall Ln to be vacated for the Eco Business Park redevelopment, the SMBC & TLC services currently operating out of this Depot must be relocated to an alternative site within the Borough.
- 2.9 Following a review of the possible options available, Adswood Depot (Eco Centre) was identified as a primary site for relocating a number of key services. This site was purchased by the Council following the Cabinet report in June 2022 (plan in Appendix 2). To allow the relocation to happen, the site at Adswood must be developed to ensure that the key services which are already in place at Adswood can continue to operate.
- 2.10 The Adswood Depot site was identified as the preferred relocation option as available sites in the borough of this size are very limited, particularly within the required timescales, the site is owned by the Council, and it is fit for purpose subject to the required redevelopment works.

- 2.11 The Eco Business Park is the primary project driver for the proposed redevelopment of Adswood Depot and although these are separate projects the required relocation costs are linked. They are therefore presented together in this report.

Engagement

- 2.12 Given the number of services that will be affected by the redevelopment of both Bird Hall Lane Depot and Adswood Depot, a significant number of Stakeholders were identified from both SMBC and TLC.
- 2.13 User requirements based on set-up and operations for each service were reviewed and compiled to enable a Brief and Design to be produced.
- 2.14 The design ensures that each service will have sufficient space on site to safeguard that all operations will continue to operate effectively.

3. PROPOSALS

Eco Business Park

- 3.1 Following the appointment of Network Space Developments in March 2023, the design has progressed quickly with RIBA Stage 2¹ now completed. It is intended that a planning application will be submitted by the end of the 2023. RIBA Stage 3 design work will continue parallel to planning.
- 3.2 A cost plan for the build has been produced by the appointed cost consultant for the project, and has been used to inform the information in confidential appendix 5.
- 3.3 It is proposed that the design team continues to progress designs and assuming that the planning application is approved, progresses to the appointment of a main contractor.
- 3.4 Network Space Developments have proposed several options for the procurement of a contractor and have recommended a preferred, compliant route via an established procurement framework which is cost and time efficient and exposes the opportunity to the highest number of and most relevant contractors.
- 3.5 It is then proposed that the scheme will be built and developed as per the planning permission.

3.6

Task	Duration
Submit Planning and determination period	December to April
Progress Detailed Design	Ongoing to Summer 2024
Contractor Procurement	Summer 2024 to Autumn 2024
Build Phase	Starting from end 2024 start 2025.

Adswood Depot

- 3.7 The Adswood Depot will be a new facility from which TLC can operate their current services. The depot will be smaller than the existing facility at Bird Hall Lane, which better reflects TLC's requirements. The Adswood site allows for a greater degree of flexibility and is therefore better suited to adapting to the changing needs of the borough's services. This will provide greater resilience for the Council against changes in future service requirements.
- 3.8 To meet the requirements of the relocating services, the following key works are proposed to the site:
- Construction of a new Warehouse Unit – this will provide space for Aids & Adaptations, Pest Control and TLC Stores.
 - Construction of a new modular building – this will provide office and welfare space for all relocating services.
 - Resurfacing to areas of the site – this will incorporate tarmacked areas for personal vehicles and surfacing of vehicular routes on the site to minimise future maintenance issues regarding Heavy Goods Vehicles (HGV's) manoeuvring on the site.
 - There is an option to utilise the South end of the site (approximately 1.5 acres) for a third party letting.
- 3.9 A Principal Contractor will be appointed on a two-stage tender process and they will be responsible for developing the design from RIBA Stage 2 to RIBA Stage 4 (detailed design).
- 3.10 Concurrently, a full planning application will be submitted, seeking approvals to carry out the works as outlined in the Stage 2 feasibility design.
- 3.11 Following the second tender stage, the successful contractor will be appointed to carry out the construction works at the site.
- 3.12 Design and Technical Services will oversee the ongoing design, consents, contractor appointments and contract administration throughout the project lifecycle.
- 3.13 The following table provides indicative timescales for key tasks.

Task	Duration
Procure Principal Contractor and design team under PCSA	December - March 2024
Submit planning and determination period	December - April 2024
Contractor detailed design and 2 nd Stage Procurement	Spring 2024
Build Phase	Autumn 2024 to Spring 2025

4. FINANCIAL IMPLICATIONS

Eco Business Park

- 4.1 The budget cost estimate for the Eco Business Park is detailed in the Confidential Appendix 5.
- 4.2 The proposal is to use the Cheadle Towns Fund grant of £4.44m to deliver exemplar levels of sustainability and environmental credentials. The remaining cost would be covered by prudential borrowing. The conditions of the grant include grant spend deadline criteria.
- 4.3 The costs of this borrowing are detailed in the Confidential Appendix 5.

Adswood Depot

- 4.4 The budget cost estimate for the Adswood Depot is detailed in the Confidential Appendix 5.
- 4.5 The proposal is to utilise prudential borrowing to fund the cost for the build.
- 4.6 The costs of this borrowing are detailed in Confidential Appendix 5.

5. LEGAL IMPLICATIONS AND RISKS

- 5.1 The Council has a general power of competence pursuant to section 1 of the Localism Act 2011. The specific pre-commencement powers under the Local Authorities (Land) Act 1963 to erect any building and construct or carry out works on land for the benefit or improvement of the area do not restrict or limit the application of the general power of competence in relation to the proposed development at Bird Hall Lane.
- 5.2 Following the Cabinet Meeting on 15 March 2022 and an initial positive market response to early engagement, a Development Manager (Network Space Developments Limited) was procured by a regulated procurement process under the Public Contracts Regulations 2015.
- 5.3 The Development Manager is providing expertise and guidance on the appropriate compliant approach to market to appoint the professional team and construction contractor for the scheme, which is likely to involve the use of public sector construction frameworks.
- 5.4 Since the development will involve the contribution of public resources (the c£4.44m from the Towns Fund as a minimum) an analysis has been undertaken to ensure that the project complies with the Council's obligations under the Subsidy Control regime, which is now in force. Contracts with the Development Manager, Construction Contractor and Professional Team will all have been subject to regulated market competition or procured under relevant compliant frameworks, and will therefore be paid at a market-tested rate. No subsidy arises on the basis that the expenditure from public resources is not on more favourable terms to the contractors than they are otherwise able to obtain in the market.

- 5.5 At the point when units in the development are being offered to the market a further analysis will need to be undertaken to ensure that occupiers of the new units will not be receiving an indirect subsidy and are in fact paying a fair market rate for the units.

6. HUMAN RESOURCES IMPACT

- 6.1 N/A

7. EQUALITIES IMPACT

- 7.1 The equalities impact for the Cheadle Town Fund projects, including the Eco Business Park, has been considered in the March 2022 Cabinet paper. An Equalities Impact Assessment has been undertaken for the Adswold Depot Redevelopment which is included at Appendix 3.
- 7.2 The development of the Eco Park will provide employment opportunities for people across the borough, particularly in the Cheadle Heath area. Initial employment estimates were that around 190 jobs could be created.

8. ENVIRONMENTAL IMPACT

- 8.1 The environmental impact for the Cheadle Town Fund projects, including the Eco Business Park, has been considered in the March 2022 Cabinet paper.
- 8.2 The environmental credentials and expertise of prospective parties will be considered as part of the contractor procurement process.
- 8.3 As an additional note, the Eco Business Park scheme is targeting a BREAAAM rating of Outstanding and details of how this will be achieved can be provided following detailed design to be undertaken during RIBA stage 3.
- 8.4 An infographic is included in Appendix 4 which illustrates some of the key sustainable technology which is currently being considered as part of the scheme design.
- 8.5 It is the intention of the Council that the Eco Park scheme pushes the boundaries in terms of sustainability credentials, and reduction in carbon in both construction and operation. It is hoped the scheme can become an example of what can be achieved and helps set a standard and achieve and align with the objectives of the Council's Climate Action Now (CAN) strategy.

9. RECOMMENDATIONS

- 9.1 Note the contents of this report and progress on the Cheadle Eco Business Park and Adswold Redevelopment, and that Cabinet approve the approach to the development of the projects and to enter into agreements to achieve this, as required.
- 9.2 Delegate authority to the Director of Development and Regeneration (Place) and the Deputy Chief Executive (Corporate and Support Services), in consultation with the

Cabinet Members for Finance and Resources and Economy, Regeneration and Housing, to approve the undertaking of any required procurement activities to allow the appointment of any professional services consultants or construction contractors in relation to both projects.

- 9.3 Delegate authority to the Director of Development and Regeneration (Place) and the Deputy Chief Executive (Corporate and Support Services), in consultation with the Cabinet Members for Finance and Resources and Economy, Regeneration and Housing, to approve the entering of any contracts required for the appointment of any professional services consultants or Construction Contractors and bring forth any necessary planning applications related to the delivery of Cheadle Eco Business Park and the Adswood Depot Redevelopment.
- 9.4 Delegate authority for the Assistant Director (Legal & Democratic Governance), to take such steps and complete such agreements as are necessary to implement the resolutions recommended in this report and any decisions properly made under authority delegated by these resolutions.
- 9.5 Give approval for the release of funds, as detailed in Confidential Appendix 5, 4.7, to allow both schemes to progress from the current position, through planning and construction to practical completion.

BACKGROUND PAPERS

N/A

For further information please contact Robert Goulsbra, Robert.Goulsbra@stockport.gov.uk

Appendices

Appendix 1 – SITE PLAN – CHEADLE ECO PARK

Appendix 2 – SITE PLAN ADSWOOD DEPOT

Appendix 3 – ADSWOOD EQUALITIES IMPACT ASSESSMENT

Appendix 4 – CHEADLE ECO PARK SUSTAINABILITY FEATURES INFOGRAPHIC

Appendix 5 - CONFIDENTIAL FINANCIAL REPORT

Appendix 6 - CONFIDENTIAL PROVISIONAL ECO PARK IMAGES