

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 05 June 2024
Subject:	Permission to Tender – Radcliffe Enterprise Centre	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

This report seeks permission to tender for a contractor to undertake the construction works required for the conversion of Radcliffe Library into an Enterprise Centre as part of the GM’s UKSPF (UK Shared Prosperity Fund) SME (Small and Medium Size Enterprises) Workspace Fund (E22). The contractor will be appointed via the North West Construction Hub (NWCH) framework.

Stage 3 designs are now under review and planning application for change of use and internal remodelling have been submitted. Should 3 or more objections be made the matter will go to Planning committee on 26th June 2024.

Initial project costings suggest a construction cost in the region of £1.4m. (This excludes professional fees, surveys, inflation, etc). This is within the funding envelope although final costs will not be known until stage 4 designs have been evaluated and the work has been issued for tender.

Construction is due to commence in September 2024 in accordance with the funding requirements, must be completed by 31st March 2025. Should the Council fail to spend the funding before the 31st March 2025 there is a risk the Council will be liable for full project costs due to a clawback clause within the funding agreement.

Recommendation(s)

1. That Cabinet approve the proposed route to tender for the construction of the Enterprise Centre via the North West Construction Hub (NWCH) framework. A further report will be brought back to the September Cabinet meeting to approve the appointment of the preferred contractor.

Reasons for recommendation(s)

2. This a UKSPF funded project and is subject to strict timescales for completion. The project is progressing through the RIBA Stages and is currently on track. However, a delay in appointment of a contractor could significantly impact on progress leading to a failure to complete on schedule, bringing financial and reputational risk to the Council.

Alternative options considered and rejected

3. Delaying the decision to appoint a contractor has been discounted as this will significantly impact on the construction programme and risk non completion within the funding timescales.

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Background

4. In 2022, Bury Council submitted a bid to GM's UKSPF SME (Small and Medium Size Enterprises) Workspace Fund (E22) to turn Radcliffe Library into an enterprise centre.
 - 4.1. The project aims to convert Radcliffe Library, located within Radcliffe Town Centre and adjacent to the Levelling Up regeneration activity (part of the Radcliffe Regeneration Framework) to a flexible, multi-functional Enterprise Centre. The space will provide a range of private offices and bookable hot desks to facilitate up to 100 occupiers and will be managed by a third-party operator.
 - 4.2. The UKSPF funding allocation for Bury to £1,270,423 or 92.4% of the total project cost of £1,716,000. The total project cost includes match funding of £445,577. This commitment from the Council was agreed by the Regeneration Board on 27th October 2022.
 - 4.3. The initial submission proposed delivery across all three years of the UK SPF programme with first year (2022/23) revenue used to assign a Project Manager alongside a market assessment exercise to understand potential demand. However, delays to the GM project evaluation process and the development of grant funding agreements have meant a revision to project timescales. GMCA (Greater Manchester Combined Authority) have received confirmation that Year 1 funding allocations can be rolled into Year 2 but there is no extension to the overall delivery period and the project must be completed by March 2025.
 - 4.4. A revised project delivery plan has been submitted and approved by GMCA and a grant funding agreement was signed on 23rd October 2023.
 - 4.5. The project features as part of a wider LUF (Levelling Up Fund) programme and is a key priority project identified in the Radcliffe Strategic Regeneration Framework (SRF), aimed at bringing forward a campus of buildings that deliver improvements to health, skills and employability, cultural engagement, and economic recovery of the town centre. The Hub is due for completion in Spring 2026 where the library will be permanently housed in modern state of the art building.

- 4.6. This project will enhance £20m LUF (Round 1) and £22m match funded from Bury Council capital programme, as well as provide commercial space for a Council-owned building worth £1.26m (£1.35m including the land value).
- 4.7. The end goal is to create a vibrant, flexible space that will enhance footfall in Radcliffe Town Centre further igniting additional investment into a location on the cusp of reinvention. This will nudge further investment and confidence in the town, providing additional business rates revenue to the Council and a reason to visit and invest in Radcliffe for businesses and house builders.
- 4.8 Options for a temporary library provision are under consideration. Various options have been considered, see below. It is the aim to keep provision within the Radcliffe area at an accessible site.

Place	Reasons
ROC Centre	Too far out of town centre Survey cost maybe prohibitive further work ongoing
Keep within Library	Ruled out initially due to risks and disruption Costs to keep service operating during construction prohibitive
Modulars on Library Car Park	Previous planning application brought to many issues Will review again as other options are available
Modular on Whittaker Street site with PRU	Not opening until November earliest
Radcliffe Market Hall	No units available Construction also due to start which will add further disruption
Shop units - south block/former regen office	Not suitable, not big enough – lack compliance and accessibility
Pimhole – Whitefield	Costs to preventative
Various churches, community centres and clubs	Existing programmes can't accommodation Issues with compliance and accessibility Cost prohibitive

N.B. investigations have been desk top and no negotiations have taken place with tenants/operator of the building and unless deemed viable none will held.

- 4.9 Covenant update – a requirement on the title for the building in 1905 to be used as a library “forevermore”. Legal advice has been sought and whilst it is not entirely clear the covenant is enforceable; it states that it is highly unlikely a court would force the Council to run a library from an unsuitable building and would recognise the improvements the new library will offer. However, to satisfy this, genealogy searches have been completed and three living descendances have been identified and written to requesting to negotiate the conveyance on the deed. We are awaiting responses. Further land searches are underway to ensure all benefactors are known and contacted. A point to note is that only legal benefactors can enforce the terms of the covenant so complaints from the public or councillors do not have legal jurisdiction.

Links with the Corporate Priorities:

5. Corporate Plan 2024/25 seeks to deliver the Vision for 2030 which is for the Council to be Achieving Economic Growth.
- 5.1 The regeneration of Radcliffe supports delivery of the ‘Let’s Do It!’ To stand out as a place that is achieving faster economic growth than the national average, with lower than national average levels of deprivation through the development of employment space to enable job creation and upskilling of residents, leading to economic growth.
- 5.2 **Local** – The project will enhance and secure the future of a valuable town centre asset and contribute to delivery of the wider Radcliffe SRF.
- 5.3 **Enterprise** to drive economic growth and inclusion – The project will create more flexible and innovative/digital workspaces to encourage more businesses to open and remain in Radcliffe; helping to ensure residents have the best chance to access good jobs.
- 5.4 **Together** – Ensuring a sustainable use for the library building is a key community ambition and all opportunities for continued public access will be considered as part of project development.
- 5.5 **Strength**-based approach - the project will; provide managed workspace and business support within a local neighbourhood. This will provide opportunities for community wealth building through new business start-ups, increased local spend and the adoption of new skills whilst reducing the need to out commute

Equality Impact and Considerations:

A full EIA has been completed. Impacts are neutral with actions and mitigations applied to reduce some negative impacts that have been identified.

Environmental Impact and Considerations:

7. Environmental impacts and concerns are being considered as part of the pre-construction services and will be in-line with existing Council policies.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Financial Risk A ‘hard stop’ of 31 st March 2025 has been set by GMCA where all funding must be spent by this date. As per the Grant Funding Agreement Section 26 - GMCA may “clawback” all or part of funding if “an Event of Default” is	Cabinet approval of tender exercise

deemed to have occurred. This includes but is not limited to delivery of the project before 31 st March 2024.	
Construction Risk Lack of interest and or availability in the market to complete within the programme timeline	Launch tender exercise as planned within project timeline with Cabinet approval for delegated decision. Use of frameworks ensures supplier meets the contract procure rules of the council and deliver best value and quality in a timely manner.
Reputational Risk Loss of confidence in the Council to deliver objectives	Cabinet approval of tender exercise and delegated powers of approval
Vacant Library Building Once the Hub is complete the library will decant to the new premises leaving the current building without purpose and therefore at risk of dereliction.	Conversion of library building to Enterprise Centre to provide ongoing use and commercial viability.
Library Covenant Enforcement the terms of the covenant	Benefactors have been contacted and further legal advice will be sought upon contact being made. If necessary, apply to Court to determine the meaning of the covenant and seek a remedy.

Legal Implications:

8. The Council is able to procure a contractor for these works through the North West Construction Hub (NWCH) framework. To be accepted onto the framework, contractors are subject to competition in respect of price and quality. Use of the framework will determine the form of the works contract which the Council and its chosen works contractor will enter into.

Financial Implications:

9. The stage three designs are completed, and these are now being costed. High level analysis suggests that the construction costs (excluding outstanding roof works) will be within the UKSPF funding envelope. Appointment of the contractor will be via a framework and the value is expected to be circa £1.2M.
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Appendices:

[70578 | Change of use of existing library \(Use Class F1\) to Enterprise Centre \(offices/workspace\) \(Use Class E\(g\)\(i\)\) by internally remodelling the building | Radcliffe Public Library, Stand Lane, Radcliffe, Manchester, M26 1WR \(bury.gov.uk\)](#)

Background papers: N/A.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
UKSPF	UK Shared Prosperity Fund
LUF	Levelling Up Fund