

Report to:	Cabinet	Date: 11 June 2025
Subject:	Radcliffe Enterprise Centre Operator Tender	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

1. As construction commences at Radcliffe Library for the conversion of the ground floor to an Enterprise Centre, permission is sought to procure an operator.

Recommendation(s)

2. Approve the procurement of an operator for the Enterprise Centre is granted which should be before the construction is completed in November 2025. However, further approval will be sought on appointment of the successful operator and the terms agreed before entering into any formal agreement.
3. Approve the operator taking on responsibility for managing the facility as a commercial entity as well as dealing with maintenance of the building. The operator will also be required to deliver a programme of business support from the centre with the aim of supporting the business community across Bury.

Reasons for recommendation(s)

4. The feasibility study demonstrated that appointing a third-party operator offers the lowest risk to the Council and showed, within the indicative commercial models, the generation of profit by year 3. In contrast, Council owned and operated models were not expected to return a profit until years 4/5.
5. The other option for operation considered within the feasibility study was a Council owned and operated service; by either the Library Service or as a commercial space managed Land and Property team, operated by the Business Investment Team.
6. Operation of the Enterprise Centre by the Council's Library service option was the most expensive option based on costs supplied.
7. Council Commercial operation managed by Land and Property, operated by Business and Investment would be the most cost effective however the Council does not have the capacity to operate the centre or the experience of operating such a facility. It would need to recruit additional resources to manage the centre. This option would also not offer business support element and be reliant on partners and library service to fulfil this requirement. This has been deemed untenable, it would also retain responsibility for building maintenance within the Council, a model the Council is seeking to move away from.

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Background

Bury Council secured £1.3 million from the Government's UK Shared Prosperity Fund, which alongside £800,000 of Council funding with the addition of £600,000 from the Local Growth and Place which will be used to convert Radcliffe Library into an Enterprise Centre. The centre will include meeting, co-working and office space and will provide much needed employment space in Radcliffe town centre.

This development is taking place in the context of a £40m regeneration of Radcliffe town centre which will deliver a new multi-use Civic Hub, a renovated Market Chambers and improved public realm. The Civic Hub which will house the new library will be completed in mid-2026 and will help to deliver transformational change and increase footfall in Radcliffe town centre.

As a borough, Bury has a lack of employment space, the Council receives an average of 25 requests for land/office space each month but there are not the facilities to meet these requests. The new enterprise centre will provide occupancy for up to 50 people and will provide a new and attractive town centre office location.

The building has been operating as a library since 1907 and is a well-used and culturally important asset to the town centre. It is being vacated due to the development of the Civic Hub which will bring together a number of council services such as the library and leisure. The building is less than a 10-minute walk from Radcliffe tram stop, is served by multiple bus routes and is easily accessible from the M60.

Feasibility Study

An initial feasibility study was completed in 2023 by Focus Consultants on both Ramsbottom Civic Hall and Radcliffe Library which concluded that the two were suitable for use as an enterprise centre.

In June 2024 Focus Consultants were appointed to assess options for the management and operation of these proposed enterprise centres.

Comparator research was conducted on a number of different models and operators. Each were assessed against a series of criteria:

- Deliverability / risk
- Potential for income generation for the Council
- Potential to retain some element of community focus

Given the buildings are to remain in Council ownership three models were available:

- Owner Management
- Partnership with a specialist operator
- Lease

Conclusion:

Given the income risk, it is considered more likely that, for Radcliffe, a third-party management agreement is likely to be the most deliverable option

The options have been modelled firstly on Bury Library Service or Bury's Land & Property team operating the centre and secondly, a third party operating the centre on a management agreement basis.

The indicative commercial model shows, based on the assumptions set out above that both options will not generate surpluses in the short term. The projections suggest that a management agreement option could start to generate some small surpluses by year 3. However, these surpluses would not necessarily sit with the Council, depending on the nature of the management agreement, although it is recommended that the model ensures that surpluses are shared to start to see a reduction in the financial requirement for the Council.

It is recommended that a procurement exercise is undertaken, seeking an operator for the enterprise centre on a management agreement basis. The soft market testing has indicated that there is likely to be some interest in this opportunity, under a management agreement model.

The Council will be required to meet operating costs in the short term whilst the operator secures tenants and builds the centres reputation. The first floor is currently housing the library and is therefore out of scope until year 2, at which point it will provide further rentable space. Operating costs are estimated as follows:

- £71,525 first year
- £43,930 second year
- +£7,155 in third year

The Economic Development and Projects team are being supported by the Councils procurement team with the intention to procure an operator through an open tender on the Chest. The tender will be open for a 4-week period.

There is zero cost for the procurement exercise.

Library Operations

The library will remain open on the first floor of the building whilst the transformation of the ground floor is completed. Once the Hub opens and the library decants the first floor will be incorporated into the Enterprise centre.

Covenant

Following the identification of benefactors, we have made contact to see if they are agreeable to the release/ variation of the covenant thus allowing the Council to proceed with its plans to move the Library Services to the hub without being in

breach of the covenant. The response has thus far been positive and negotiations are ongoing.

As the Council have limited recent experience in dealing with cases of this nature, property services are seeking to instruct external agents to value the premium sum for release and negotiate on our behalf. We will seek approval to instruct once we have full details of their proposal/ fees in the next couple of weeks. The appointed external agents will also be instructed to check that there are no other parties that need to provide consent that have not already been identified.

We anticipate a further update on anticipated costs for the release by early June.

Retaining the library within the building will adhere to the covenant whilst negotiations take place in the hope that the matter is resolved before the library moves to the Hub in 2026.

Construction

Construction is due to commence in June 2025 with completion in November 2025. The Council is looking to engage at an early stage with the successful tender company to look to incorporate any specific operational requirements they may have.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

1. **Local neighbourhoods** – The project will enhance and secure the future of a valuable town centre asset and contribute to delivery of the wider Radcliffe SRF.
2. **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.
3. **Delivering 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.
4. **A 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:

5. Equality impacts for this scheme concern the operation of Radcliffe Library for an interim period until the library can relocate to the new Radcliffe Hub. A full

EIA of the impacts on the library was carried out in August 2024 with all potential impacts mitigated.

Environmental Impact and Considerations:

*Please provide an explanation of the Environmental impact of this decision. Please include the impact on both **Carbon emissions** (contact climate@bury.gov.uk for advice) and **Biodiversity** (contact c.m.wilkinson@bury.gov.uk for advice)*

6. The Council has a pledge to be Zero Carbon by 2038. This means that the current estate needs to be rationalised and modernised. This project presents the opportunity to introduce flexible and innovative workspace into the heart of a highly sustainable town-centre, reducing the need to be out commute to a place of work. The library building itself is of a certain age and the opportunity for refurbishment and redevelopment will enable the estate to reduce its carbon footprint over time.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Failure to attract an operator.	Focus Consultants engaged with potential operators as part of their feasibility study and found a number of interested parties.
Financial Risk Inability to find Operator	Cost other options stated in the options appraisals
Failure to appoint operator before opening	Draft operating plan for Council to manage and operate centre in the interim

Legal Implications:

7. The tender exercise must comply with the Procurement Act 2023. If the Council determines that it will seek a concession contract with a selected bidder, then these arrangements also fall within the new Act.

Financial Implications:

8. A number of appraisals were produced by Focus Consultants and have been reviewed by finance and which indicated that the best value route was to procure an external operator to manage the building. Finance notes that the final terms of any agreement are yet to be determined and would request updated appraisals based on these terms once known to confirm that this is still the best value route for the Council. Procuring an external operator on a full repairing basis would also reduce the risk of unknown / unforeseen costs and give more certainty to the operating costs and incomes.

Finance would support the recommendations in this report to proceed with procurement of the operator and come back for further approval for the agreed terms prior to the appointment.

Appendices:

Please list any appended documents.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

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

Term	Meaning