

Report to:	Cabinet	Date: 9 July 2025
Subject:	Future Proposals for Bradley Fold Trading Estate Redevelopment	
Report of	Leader and Cabinet Member for Strategic Growth	

1. Summary

- 1.1 This report sets out proposals for the redevelopment of Bradley Fold Trading Estate. Many parts of the estate are in a dilapidated condition and insurance has been withdrawn on certain parts. Whilst this poses a risk to the Council, it also presents a regeneration opportunity. Investment in the estate will maximise the sites' potential as a modern industrial hub which generates income for the Council as well as attracting high quality businesses and jobs into the area.
- 1.2 Proposed action to mitigate the current risk of holding dilapidated buildings where insurance has been withdrawn is outlined within the report as follows:
 - Implement remedial works identified by risk assessments where possible
 - Where the existing leases provide an obligation for the Council to insure and repair/ rebuild the buildings, where possible, the Council should seek terminate leases with a view to demolish the building or grant occupier/s full repairing and insuring lease/s.
- 1.3 The report outlines proposals to procure a design team and project manager to progress 'Phase 1' of the proposed development to RIBA Stage 3 and update the master plan for the whole estate. The report outlines budget costs in relation to undertaking this work as sets out recommendations for approval.

2. Recommendation(s)

That Cabinet:

- 2.1 Approve the first stages of the Bradley Fold redevelopment as set out in the report.

- 2.2 Approve £1,417,000 being added to the capital programme, funded from prudential borrowing. A full breakdown is shown in part B.
- includes approval for the expenditure in relation to compensation costs associated with the service of S.25 notices on all units that do not have insurance cover
 - includes approval for the expenditure of £400,000 associated with the upgrading and relocating the electricity substation and transformer.
- 2.3 Note that where appropriate and subject to relevant risk mitigation, tenants may be placed onto short term contracted out leases to allow continuation of business and income generation whilst Phase 1 is completed.
- 2.4 Approve the tender of demolition contractor/s for demolition of units as they become vacant.
- 2.5 Approve the tender of a design team and project manager to progress 'Phase 1' to RIBA Stage 3 and update master plan for the whole estate. Note that subsequent will brought to Cabinet at the appropriate time.

3. Reasons for recommendation(s)

- 3.1 Redevelopment of the estate will maximise the sites' potential by providing high quality industrial units which will drive inward investment, employment opportunities and maximise revenue potential for the Council.
- 3.2 Termination of existing agreements will reduce & mitigate risk of holding buildings that are in a poor state of repair and do not have 3rd party insurance cover. If tenants are granted short term leases at the discretion of the Head of Land and Property, they will be on the basis that the tenant accepts the building is not insured or may not be rebuilt / repaired if cost of works exceeds the value of the premises or repair work is not viable. Where units are self-contained, and tenants can obtain their own insurance, longer term 'Full Repairing and Insuring' leases can be granted on the basis that they undertake agreed improvement works.

4. Alternative options considered and rejected

- 4.1 Do nothing and continue to lease units at nominal rents.
- a. Whilst this would maintain the existing income, due to the condition of the units and high cost of dealing with all compliance issues this is not economically or financially feasible in the long term.
 - b. The site earmarked for Phase 1 has been cleared for over 10 years; by continuing to do nothing there is an opportunity lost to improve the estate and maximise income, jobs and business rates.
 - c. If the Council do not replace and relocate the transformer it risks losing power to the estate.

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5. Background

- 5.1 Bradley Fold Trading Estate (BFTE) is the Council's largest owned non-operational asset and has always been an important contributor to income generation for the Council, generating a net income of c.£250k per annum.
- 5.2 The main buildings on BFTE were constructed in the early 1900's and used as a munitions factory during the war. Following the war the units were subdivided and let out for commercial use. Various additions have been made to the estate creating a mix of buildings of varying styles and condition. Due to the age of the units together with limited expenditure over the past 20 years, a significant proportion of the estate is in a dilapidated obsolete condition.
- 5.3 This presents a regeneration opportunity for the Council to invest in the estate and maximise the sites' potential as an modern industrial hub which increases income to the Council as well as attracting high quality businesses that generate jobs. In addition to the opportunities created, this will mitigate the inherent risk of holding dilapidated buildings.
- 5.4 BFTE also comprises of 'The Villa' and 'Depot', both occupied by Bury Council. The tenanted estate consists of Bradley Court, Bradley House and circa 35 industrial units, which are occupied under various lease agreements.
- 5.5 Until recently the estate was fully let but the rents are set at a level that reflect the condition of the units. For example, the rent for the units in the poorest condition is currently set at c.£1.50psf whereas the newer units on the estate demand up to £9psf. It is anticipated that new premises could attract above £10psf.
- 5.6 It is estimated that there are approximately 130 people employed by occupying businesses across the whole of the let estate. It is anticipated that if the whole of the let estate was redeveloped to provide good quality units that made best use of the site available, based on average employment density statistics that this could double.
- 5.7 If the Council were to retain some parts of the estate and only develop phase 1/ sites of buildings in worst condition as described below, job numbers could increase from c.50 to 150.
- 5.8 The estate can be divided into 12 distinct areas which are described within the table shown in Appendix A.

5.9 A plan showing the location of each of the 12 areas is shown in Appendix B.

6 Insurance Withdrawal

6.1 With effect from 31st August 2024, Zurich Municipal, the Council's current insurer, withdrew cover for the whole estate which was insured at £39m based on estimated rebuild values.

6.2 Following extensive discussions with Zurich, the insurance cover has been re-instated for Bradley Court, The Villa and Depot on the basis that there are no combustible materials within 20m of the buildings.

6.3 Zurich will not reinstate any cover on the remaining units which are in varying states of repair. The Insurance Team have approached current brokers to try and secure Insurance from elsewhere, but this has not been successful.

6.4 The remaining commercial tenanted industrial units therefore currently have no third party building insurance cover in place against the usual insured risks of fire / lightening / explosion etc. The Council is therefore self-insuring the buildings on Bradley Fold where 3rd party insurance has been withdrawn. It is therefore vital that the Council minimise the risk of an insured risk event occurring. Should there be a fire that spreads throughout the estate the risk would be that 35 commercial units are lost/ significantly damaged beyond a level that is economically viable to repair.

6.5 Many of the existing leases contain a clause that would obligate the Council to repair or rebuild the premises if damaged by an insured risk (eg fire). Given that in many cases this would not be deemed viable, as the cost of repair is substantially above the value of the premises, the Council needs to proactively reduce its risk as it not only presents a risk of reputational damage but of litigation resulting in increased costs to the Council.

6.6 This can be achieved in two ways, both of which are described in the following points outlined below:

- Mitigate and reduce risk through the implementation of remedial works identified by risk assessments
- Where the existing lease provides an obligation to the Council to insure & repair/ rebuild the buildings the Council should seek to serve s.25 Notices to terminate all existing leases with a term of less than 12 months unexpired or are holding over.

6.7 A plan showing the areas where insurance has been withdrawn is shown in Appendix C.

7. Risk Assessment Findings

7.1 The Land & Property team have commissioned a full fire risk assessment of the site. The report highlights risks that are both the responsibility of the

Council and its tenants. Where risk is the tenant's responsibility the reports are being shared and a remediation plan agreed & monitored with the tenants. The findings have been used to help establish the areas of the estate where risk can be significantly reduced and mitigated. Where this is possible, the Council should seek to retain certain buildings in the longer term. 7.2 The findings have been used to determine which areas of the estate pose the highest risk and should be demolished straight away and which areas have the potential to be retained based on the premise that risk can be addressed. Each area of the let estate has been RAG rated accordingly. A plan showing the RAG rating for each area can be seen in Appendix D and is described in the table below.

Area	Area Name	Risk / Proposed Retention Status
Area 1	Lock Up Unit and Substation within Phase 1 Cleared Site	Demolition This building is in the middle of phase on and should be demolished in the first phase. The transformer/ substation located in this area should be relocated.
Area 2	Central Block	Demolition - First Phase Risks cannot be suitably addressed. Many risks relate to the fabric of the building and only viable option is demolition
Area 3	Central Block Annex	Potential to Retain Risks identified can be addressed and there is potential to invest in the building with a view to retain rather than demolish. Decision to be made on a case-by-case basis and level of compliance co-operation by the tenants.
Area 4	Large Warehouse	Demolition - First Phase Risks cannot be suitably addressed. Risks relate to the fabric of the building and only viable option is demolition
Area 5	Small mixed-use units	Potential to Retain Risks identified can be addressed and there is potential to invest in the building and retain rather than demolish. Decision to be made on a case-by-case basis and level of compliance co-operation by the tenants.
Area 6	Bradley House	Potential to Retain Risks identified can be addressed and there is potential to invest in the building and retain rather than demolish.

		Decision to be made on a case-by-case basis and level of compliance co-operation by the tenants.
Area 7	Self-contained Unit	Retain Risks identified can be addressed and as it is a self-contained area tenant can be placed on a Full Repairing and Insuring Lease which removes all liability from the Council.
Area 8	Self- contained units (Housing Repairs)	Demolition Future Phase Risks can be addressed in the short term, but given the age and condition of the building it should form part of the overall future redevelopment

7.3 Land and Property are working to mitigate risks which derive from holding dilapidated buildings, by undertaking works that can be addressed e.g. upgrading fire doors, repair minor damage, signage, fire safety policies etc. Existing land and property budget will be used address these risks.

7.4 However, the condition of the Central Block and Large Warehouse (as shown categorised in red above) means that even if practical risk mitigation measures were implemented, the risk will remain high. The Council could spend over £1m and only achieve a temporary fix, thus demonstrating the need for demolition and redevelopment of these areas as a minimum.

7.5 Land and Property are working with insurance to determine if all risks on buildings were addressed and the fabric of the building could be reasonably repaired, whether insurance could be reinstated upon completion of these works.

8 Serve s.25 Notices to bring existing tenancies to an end in 6-12 months

8.1 Due to the age and condition of the buildings and need to redevelop the site, in the event of a fire or another insured risk event, as there is no 3rd party building insurance in place, the Council may not be able to reinstate the current buildings should they be damaged beyond repair.

8.2 As noted above, under the existing leases the Council has an obligation to Insure and carry out repairs to the premises in the event of damaged from an insured risk. This puts the Council at risk of a claim/injunction by tenants for specific performance, whereby the Court Orders the Council to undertake works of substantial repair. The repairing obligation would likely carry over, by Court Order or otherwise, should any tenant apply for the grant of a new tenancy under the Landlord and Tenant Act 1954.

8.3 It is proposed that alongside the Phase 1 redevelopment, to reduce the Council's risk liability, the process of terminating existing tenancies where there is no 3rd party insurance is commenced. Where possible, this will be

achieved through the service of Section 25 notices on the grounds of demolition which is a statutory reason to oppose the grant of a new tenancy.

- 8.4 As schedule highlight the breakdown of compensation / potential rent retention is included in Part B of the report.
- 8.5 Notices served pursuant to section 25 of the Landlord and Tenant Act must give a minimum of six and a maximum of twelve months' notice to the tenants. Tenants have the legal right to remain in occupation for the duration of the notice period and potentially longer, should the notices be challenged by an application to court. Whilst the notice period would allow occupation certainty for tenants it also provides time for the Council to review the interim position and where appropriate negotiate contracted out or revised tenancy agreements. This will be dependent upon the implementation of risk mitigation measures, but it is expected to be broadly in accordance with the demolition/retention RAG rating categorisation outlined above.
- 8.6 If any tenant elects to challenge the section 25 Notice by way of application to Court then, by no later than the date of hearing of that application, the Council must have evidence of appropriate funding, together with proof of a firm and genuine intention to implement the demolition works for which possession of the premises is needed. The steps recommended in this report would substantially meet this evidential burden.
- 8.7 The decisions above will be made by the Head of Land and Property.

9. Demolition of buildings considered 'High Risk' to the Council

- 9.1 As detailed above, when a decision is made to serve a S25 opposing the grant of a new tenancy on the basis of an intention to demolish, it is necessary for the Council to have or obtain evidence proving the intention and ability to proceed with the demolition works which make possession of any affected property necessary. Therefore, the Council would need to appoint consultants and prepare the necessary consents to carry out the demolition. The service of s. 25 notices will not prevent the Council entering into negotiations with individual tenants allowing them to remain on site via short term contracted out leases, with no repairing obligations on the Council and a requirement for the tenant to secure appropriate 3rd party insurance cover.
- 9.2 In 2024, CBRE estimated the full cost of demolition and remediation of the whole estate to be in the region of £1.5m. Land and Property have obtained an additional quote to demolish just the central block and large warehouse, which suggests that it will cost in the region of £200k (including contingencies) to demolish the buildings to slab level. However, the total quote including breakout of the slabs and turnover the site to prepare it for redevelopment totals £1.08m.
- 9.3 Procurement of this work has not commenced, but Land and Property will work closely with Procurement to appoint consultants to undertake the work

needed to serve demolition notices. The actual demolition works will be tendered separately and formal approval to appoint the selected contractor will be sought as appropriate.

10 Interim Position

- 10.1 Whilst waiting for demolition notices to take effect and where applicable, for companies to vacate the properties, the Council will need to continue to self-insure the buildings. In 2022 a fire occurred within a 7,000 sq. ft unit located within the central block causing significant damage to the roof. The Council were advised that repairing the roof and interior of the premises in accordance with current regulatory standards, would cost in the region of £500k which is greater than the value of the unit.
- 10.2 It may be possible that there are certain buildings on site where discussion should take place with the occupiers to request that they seek their own insurance cover. This would further mitigate against the Council's risk and allow businesses that occupied the better buildings on site to continue trading whilst mitigating against loss of rent. This could be on medium term basis allowing for a phased approach to the redevelopment of the estate or on a long-term basis where certain units are retained alongside the redevelopment. (see section 12 for categorisation of these areas based on risk)

11 Replacement and Relocation of Transformer

- 11.1 In May 2025, Electricity Northwest Limited contacted the Council to notify us that due to changes in government regulations, high voltage units registered below 50PPM and installed prior to 1988 are considered 'at risk' and not legally operatable after 2025.
- 11.2 This provides an opportunity to relocate the transformer and substation which is currently located in the middle of Area 1 / Phase 1. Initial quotes have been obtained to relocate the equipment to the edge of the estate which will cost c.£400k.
- 11.3 If the Council do not undertake this work it risks losing power to a large proportion of the estate. In doing the work, it not only addresses statutory concerns but means that the Phase 1 area design and layout is not restricted by the transformer/ substation location.

12 Future Phased Re-development of the Estate

- 12.1 The buildings in Area 1 (phase 1) were demolished c.2010 which provided a cleared site ready for redevelopment. Due to the recession this site has not been developed and until recently been let as open storage.

- 12.2 The CBRE 2023 Masterplan identified that this area has the potential to provide circa 40,000sqft of new industrial accommodation. It is proposed to appoint a design team to develop the design to RIBA Stage 3 (planning stage) and update the overall masterplan for the estate.
- 12.3 The estimated cost for this work is £175k. This accommodation has the potential if delivered in the next 12-18 months to be used as relocation space for some of the existing tenants on the estate, if we can keep their existing accommodation compliant in the meantime.
- 12.4 During the design, stage officers will consider delivery models for the 1st Phase, which could include,
- Council Self Delivery
 - Development partnership with a contractor/developer
 - Site Sale
- 12.5 Final recommendations will be subject to a future Cabinet approval.
- 12.4 To support officers in the demolition and design works, external project management support will be required. This will initially be for a six-month period at an expected cost of £50k

13 Budget Costs

- 13.1 To implement all actions within the report an overall capital budget of £1,417,000 required. A breakdown of this budget can be seen in part B.

14 Potential Solar Generation

- 14.1 A feasibility study has been carried out to assess the business case for solar PV generation on a piece of land to the east of the trading estate and also on the two Bradley Court Units in the north east of the estate. This study indicates that these assets could be used for 3128kWp solar generation arrays that would generate enough electricity to give an IRR over 30 years of 16.2% and a simple payback of 7 years. This, solar generation along with further solar opportunities arising from the general re-development on the site will provide the means to help the trading estate become carbon neutral and to progress towards the council's 2038 carbon neutrality target
- 14.2 These proposals would be subject to a separate approval process in due course.

15 Links with the Corporate Priorities:

- 15.1 Redevelopment of the estate is closely linked to the Local and Enterprise principles of the Let's Do It Strategy as it provides economic growth opportunities alongside the provision of additional jobs benefiting local people. The potential for increased rent and business rates will provide additional income to the council to provide essential services that serve the community.
- 15.2 In addition, removal of dilapidated buildings and replacing them with new modern and efficient buildings not only reduces current risk but improves the appearance, functionality and efficiency of the estate. This also helps the Council meet carbon neutral targets which is a key priority to the Council.

16 Equality Impact and Considerations:

- 16.1 A full equality analysis has been carried out. There are no evidenced impacts at this stage however potential impacts have been identified which will need to be explored as part of stakeholder engagement in the following stages. The EQIA will need to be updated following each stage until the activity is complete.

17 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)*

- 17.1 The recommendations in this report do not affect carbon emissions and biodiversity, however these will be considered at the relevant stage of the redevelopment.

18 Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Removal of Insurance & Dilapidated Buildings	Insurance reinstatement where possible Undertake actions highlighted in Risk Assessments to mitigate risk of fire Service and s.25 notice and/or negotiate occupation arrangements so tenants are responsible for insurance Redevelop of the estate where applicable

19 Legal Implications:

To be completed by the Council's Monitoring Officer.

- 19.1 The service of notices under Section 25 of the Landlord and Tenant Act 1954 refusing the right of renewal requires the current contractual term to have expired and for specific legal grounds to be cited. Notices, once served cannot be withdrawn and therefore all terms must be clear before service.
- 19.2 Under S30(1)(d) where the landlord intends to demolish or reconstruct the premises it must have firm plans, proposals and capital in place to demolish the premises, at the time of expiry of the notices without which vacant possession is unlikely.
- 19.3 The procurement of consultants, demolition contractors and design team and project manager must be carried out in accordance with the Council's Contract Procedure Rules and the Procurement Act 2023.
- 19.4 Legal advice will be provided in relation to any changes to insurance obligations within the leases.

20 Financial Implications:

To be completed by the Council's Section 151 Officer.

- 20.1 There is currently a very minimal budget for any repairs and maintenance within the commercial estate with anything arising being paid for from the rents collected. The amount of expenditure on repairs and maintenance is increasing due to the condition of much of the estate and, at the same time, we are not in a position to significantly raise the rents for the same reason. The risk presented by the lack of insurance is also potentially significant.
- 20.2 The estimated cost of the proposal of £1.417m will be funded from additional prudential borrowing within the capital programme, with an ongoing annual revenue cost of £120k.

21 Appendices:

Please list any appended documents.

Appendix A - Background information about each area of the estate

Appendix B – Area Site Plan

Appendix C – Areas of Insurance Withdrawal

Appendix D – Risk & Retention Status RAG Rating Plan

22 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
s.25 Notices	<p>A Section 25 notice, is a notice served under the Landlord and Tenant Act 1954.</p> <p>The notice is served by the landlord to a business tenant to either propose a new lease or terminate the lease. The notice period can not be for more than 12 months or less than 6 months.</p> <p>The landlord must rely on certain grounds under s.30 of the act to terminate the lease. In this instance the landlord will be relying on ground (f) - redevelopment.</p>
RIBA Stage 3	<p>This is the third stage of the RIBA Plan of work in which the Royal Institute of British Architect (RIBA) sets out the stages of a construction project. Stage 3 is Spatial Co-ordination stage whereby all design work is detailed enough to obtain planning permission and tender the later stages of the project including technical design and construction.</p>
Phase 1	In this report Phase 1 refers to an area of cleared land that is ready to be brought forward for redevelopment. (see site plans)
BFTE	Bradley Fold Trading Estate
RAG Rating	Red Amber Green Rating used to rank the risk status.
CBRE	Commercial real estate agents who were commissioned to undertake feasibility work