

Economy and Growth Committee

Agenda

Date: Friday 10th February 2023
Time: 10.30 am
Venue: Committee Suite 1,2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the top of each report.

It should be noted that Part 1 items of Cheshire East Council decision making are audio recorded and the recordings will be uploaded to the Council's website

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

3. **Minutes of Previous Meeting** (Pages 3 - 10)

To approve as a correct record the minutes of the meeting held on 17 January 2023.

For requests for further information

Contact: Rachel Graves

E-Mail: rachel.graves@cheshireeast.gov.uk

4. **Public Speaking/Open Session**

In accordance with the Council's Committee Procedure Rules and Appendix on Public Speaking, set out in the [Constitution](#), a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

5. **Handforth Garden Village - Delivery Strategy** (Pages 11 - 20)

To consider the update report on the progress of the Handforth Garden Village scheme.

6. **Work Programme** (Pages 21 - 22)

To consider the Work Programme.

Membership: Councillors S Brookfield, D Brown, J Clowes, M Goldsmith (Vice-Chair), P Groves, S Hogben, M Houston, D Jefferay, A Kolker, N Mannion (Chair), R Moreton, D Stockton and P Williams

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee**
held on Tuesday, 17th January, 2023 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor N Mannion (Chair)
Councillor M Goldsmith (Vice-Chair)

Councillors D Brown, J Buckley, J Clowes, L Crane, P Groves, S Hogben,
M Houston, D Jefferay, A Kolker, R Moreton and D Stockton

OFFICERS IN ATTENDANCE

Peter Skates, Director of Growth and Enterprise
Charles Jarvis, Head of Economic Development
Andy Kehoe, Head of Estates
Ralph Kemp, Head of Environmental Services
Jez Goodman, Development and Regeneration Delivery Manager
Jo Wise, Development and Regeneration Delivery Manager
Richard Milkins, Visitor Economy Manager
Helen Paton, Cultural Economy Manager
Wendy Broadhurst, Lead Finance Partner Place
Adrian Leslie, Lawyer
Rachel Graves, Democratic Services Officer

39 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor S Brookfield,
R Moreton and P Williams. Councillor L Crane attended as substitute for
Councillor Brookfield and Councillor J Buckley attended as a substitute for
Councillor Williams.

40 DECLARATIONS OF INTEREST

No declarations of interest were made.

41 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on 15 November 2023 be approved
as a correct record.

42 PUBLIC SPEAKING/OPEN SESSION

There were no members of the public in attendance.

43 **CORPORATE ASSET MANAGEMENT PLAN**

The Committee considered the Asset Management Plan, which set out how it would be used to manage land and property over the period 2022 to 2025.

The Asset Management Plan set out the Council's assessment management policy and practice and provided a baseline on property and land matters and supported capital investment decisions identified in the Medium-Term Financial Strategy.

The purpose of the Asset Management Plan was to align the asset portfolio with the needs of the organisation. The key objectives Plan were

- deal with the impact of climate change
- deliver services to the Community and Customers of the Council
- deliver a compliant Estate with appropriate governance systems
- enabling and delivery of an efficient Council
- delivery of economic growth in Cheshire East
- enabling the delivery of quality of place.

A draft version of the Plan had been circulated to all councillors last year for consultation and their comments and observations had been worked in the Plan.

RESOLVED: That the Committee

- 1 approve the Corporate Asset Management Plan; and
- 2 note the outcomes of the previous Corporate Asset Management Plan.
- 3 delegates authority to the Director of Growth and Enterprise, following consultation with the Chair of the Economy and Growth Committee, to make correct any spelling and make any final amendments to the Asset Management Plan.

44 **MEDIUM TERM FINANCIAL STRATEGY 2023-2027 CONSULTATION**

The Committee received a report on the Medium-Term Financial Strategy (MTFS) for 2023-2027 and the revenue and capital proposals contained within the MTFS relating to the Committee's responsibilities. As part of the consultation process the Committee was asked to provide comments and feedback to the Corporate Policy Committee on proposals related to the responsibilities of the committee.

The following comments were raised by Committee:

- concern that Members had not been involved in the drawing up of the proposals before them in the report. In previous year there had

been session with finance officers to discuss proposals before they went into the MTFS. It was asked if it was possible for the background workings behind each proposal to be circulated to the committee for information.

- Ref 64 Assets Buildings and Operational – the Committee was concerned that only spend on maintenance where there was a specific Health and Safety risk was not a sustainable approach and could cost the Council more in the long term.
- Ref 66 & 67 Rates increase for Cheshire East properties - it was asked why the rates increase for Cheshire East properties were being funded from the Collection Fund earmarked reserve. In response it was reported that the proposal were the result of the increase in business rates payable by Council due to the Valuation Office Revaluation which took effect on 1st April 2023. The estates rationalisation exercise was ongoing and this may ultimately reduce the level of business rates payable by the Council and therefore the uplift in rates currently forecast could be temporary.
- Ref 68 Office Estate Rationalisation – clarification was sought and given that the reference to Macclesfield Library related to the physical building and not the service. It was also raised if there would be a separate formal consultation about the move of the library building.
- Ref 72 Assets Transactions – it as commented that using auctions to dispose of property was not always the best way to dispose of property quickly and did not always achieve the best price.
- Ref 75 Restructuring Potential – it was suggested that the Council should look at retraining or upskilling staff before using schemes such as MARS. It was also queried if there was scope for transferring non-statutory services/non-income generating posts to town and parish councils.

RESOLVED:

- 1 That the Committee notes
 - 1 the year-end forecast outturn position for 2022/23, as set out in Appendix 1 to the report.
 - 2 the financial context and proposals contained within the Executive Summary of the Medium-Term Financial Strategy (as set out in the MFTS report at Annex C, Section 1).
 - 3 the Revenue Grant Funding, as set out in Appendix 4 to the report
 - 4 the Earmarked Reserves, as set out in Appendix 5 to the report.
- 2 The Committee feedback be noted on the proposals within the MTFS, as related to the Committee's responsibilities, that can

support and advise full Council in fulfilling its responsibilities to approve a balanced budget for 2023/23 in the following areas:

- 1 Revenue Proposals, as detailed in Appendix 2 to the report
- 2 Capital Programme, as detailed in Appendix 3 to the report.

45 **VISITOR ECONOMY STRATEGY**

The Committee considered the Visitor Economy Strategy, which addresses future strategic direction and priorities for the period 2023-2028 with the aim to grow the value of the visitor economy and contribution to the Borough's wider economic growth.

The Strategy identified the issues facing the visitor economy, those aspects where Cheshire East was well positioned, and the strategic priorities that could support and grow the contributions of the sector.

RESOLVED (unanimously):

That the Committee approve and adopt the Visitor Economy Strategy 2023-2028.

46 **TOWN CENTRE VITALITY PLANS**

The Committee considered the report which sought approval of the Town Centre Vitality Plans for Alsager, Congleton, Handforth, Knutsford, Middlewich, Nantwich, Poynton, Sandbach and Wilmslow.

The Council had commissioned the development of Town Centre Vitality Plans for the Borough's nine key service centres as identified in the Local Plan. With input from Town Councils, the draft plans had been produced and public consultation subsequently held.

The Town Centre Vitality Plans identified projects and initiatives which could be the subject of focus as and when sources of funding became available. The plans did not commit the Council to funding any initiatives or projects at the present time.

RESOLVED (unanimously): That the Committee

- 1 approve the Town Centre Vitality Plans, as set out in Appendix 1 to the report, endorsing the priorities they identified to be taken forward to support town centre health as and when suitable funding opportunities arise, and resources allow.
- 2 endorse Town Councils being requested to also approve the plans with a view to establishing a joint set of agreed priorities.

- 3 where appropriate key relevant census data for 2021, when available, be added to the Town Centre Vitality Plans.

47 REPURPOSING OUR HIGH STREETS (CREWE) GRANT SCHEME

The Committee considered a report on the proposal to design and deliver a new grant scheme aimed at improving occupancy of vacant commercial premises in the Crewe Town Centre.

The Repurposing Our High Streets project would be a new scheme to address the high levels of vacancy of commercial premises in Crewe town centre, supporting businesses to take leases by contributing towards the initial costs of occupying and operating from vacant premises.

Councillor A Critchley, ward councillor for Crewe Central, attended the meeting and addressed the Committee in relation to this item.

RESOLVED (unanimously): That the Committee

- 1 approve the allocation of £1.45m Towns Fund grant to be used in the operation of the 'Repurposing Our High Street' project to be spent over the period January 2023 up to 31 March 2023.
- 2 delegates authority to the Executive Director Place to make any final amendments to the draft policy, as set out in Appendix 1, operate the scheme, and enter into any associated legal agreements.

48 NOTICE OF MOTION: PUBLIC ART CONSULTATIONS

The Committee considered the report on the Notice of Motion relating to Public Art Consultations.

The report set out that the Council's Cultural Framework was due to be considered by the committee at its meeting in March. The Cultural Framework would include full details of commissioning of art and cultural activity and would therefore address the issues raised in the Notice of Motion. It was therefore proposed that the Notice of Motion be included in the Cultural Framework report.

RESOLVED:

That full consideration of the Notice of Motion be given at the March meeting of the Economy and Growth Committee in the context of a report on the Council's Cultural Framework.

49 SUSTAINABLE AND INCLUSIVE GROWTH COMMISSION REPORT

The Committee considered the report on the Notice of Motion relating to the Sustainable and Inclusive Growth Commission Report.

The Notice of Motion submitted to the meeting of Council on 14 December 2022, proposed by Councillor Q Abel and seconded by Councillor M Houston, proposed that

- 1 Cheshire East Council notes and acknowledges the report and recommendations of the Cheshire and Warrington Sustainable and Inclusive Growth Commission.
- 2 That the Council's Economy and Growth Committee be asked to consider the report and to determine the Council's response to the recommendations.

The report of the Cheshire and Warrington Sustainable and Inclusive Growth Commission set out for each identified theme the vision and key priorities for them and provided a summary and analysis of the Early-Stage Delivery Plan 2022-2024.

RESOLVED: That the Committee

- 1 endorses the final report of the Sustainable and Inclusive Growth Commission 'Towards a Sustainable and Inclusive Cheshire and Warrington', noting the priorities identified to be taken forward as and when suitable funding and opportunities arise, and resources allow.
- 2 endorse Town Council's being requested to consider the Sustainable and Inclusive Growth Commission's findings and recommendations, with a view to supporting any actions which they can help to implement.

50 MID-YEAR PERFORMANCE REVIEW 2022/23 - GROWTH AND ENTERPRISE

The Committee considered the Mid-Year Performance Review report for the Economy and Enterprise Department for the first two quarters of 2022-23.

The report detailed the performance against the key priorities and key performance indicators of services in Housing, Estates, Rural & Cultural Economy, and Economic Development.

RESOLVED (unanimously):

That the Committee note the performance of the department.

51 WORK PROGRAMME

The Committee considered its work programme for 2022/23.

It was reported that the special meeting on 10 February 2023 would receive 2 reports relating to the Handforth Garden Village Delivery Strategy.

It was requested that if the March meeting had a long agenda that the meeting start at 1 pm.

RESOLVED:

That the Work Programme for 2022/23 be noted.

**52 URGENT ITEM OF BUSINESS - FUTURE HIGH STREETS FUND:
PROPOSED PROJECT CHANGES**

In accordance with Section 100B(4)(b) of the Local Government Act 1972, the Chair had agreed that this item could be considered as an item of urgent business as it could not wait until the next scheduled meeting of the Committee to ensure that funding was reallocated.

The Committee considered the proposed variation to an existing funding arrangement regarding two projects within Crewe's Future High Streets Fund and sought approval for the submission of a Project Adjustment Request for the reallocation of funding between the projects.

Following engagement with Network Rail over the past two years it had been concluded that there was no scope to deliver effective enhanced pedestrian/cycling connectivity across the West Coast mainline at Earle Street and the balance of the budget allocated for this project was no longer required.

Progress was continuing with the Southern Gateway; however significant construction cost inflation had been experienced and additional funding was required to deliver the scheme as planned.

It was therefore proposed that a Project Adjustment Request be submitted to the Department of Levelling Up Housing & Communities seeking to reallocate the balance of approximately £1m grant funding from the Earle Street Link (feasibility) project to the Southern Gateway project.

RESOLVED (unanimously): That the Committee

- 1 notes the conclusion of technical feasibility assessments related to the Earle Street Link (feasibility) project and that it does not proceed in acquiring land for the purposes of future delivery of an Earle Street Link; and
- 2 approves the submission of a Project Adjustment Request to the Department of Levelling Up, Housing & Communities seeking

approval to reallocate approximately £1m funding within the approved Future High Street Fund programme for Crewe, from the Earle Street Link (feasibility) project to the Southern Gateway project.

The meeting commenced at 2.00 pm and concluded at 6.02 pm

Councillor N Mannion (Chair)



Working for a brighter future together

Economy & Growth Committee

Date of Meeting: 10th February 2023

Report Title: Update on Handforth Garden Village

Report of: Jayne Traverse, Executive Director – Place

Report Reference No: EG/18/22-23

Ward(s) Affected: Handforth

1. Purpose of Report

- 1.1. The purpose of this report is to update members on the progress of the Handforth Garden Village scheme. The report sets out the next steps to move into the delivery phase of the project following Strategic Planning Board's resolution to conditionally approve the hybrid planning application for the scheme.
- 1.2. The Garden Village contributes to the Council's Corporate Plan objectives of creating a thriving and sustainable place under the priority of a great place for people to live, work and visit.

2. Executive Summary

- 2.1 The Garden Village is a major long term project for the Council which has the capacity to generate capital receipts and presents an exemplar opportunity to promote sustainable development and placemaking. The Council is the majority landowner and will therefore have a lead role in progressing. The project was previously considered by Cabinet on 11/09/18 (Appendix 1)
- 2.2 The site is allocated in the Local Plan, there is an adopted Supplementary Planning Document (SPD), and on 13/01/23 Strategic Planning Board resolved to approve the hybrid planning application, subject to completion of a section 106 agreement, planning conditions and withdrawal of an objection from the Environment Agency. Correspondence confirming withdrawal of the objection has now been received.

- 2.3 There are a significant risks and delivery challenges with a project of this scale, as well as legal risks that require advice and appropriate mitigation. Construction inflation and volatility in the housing market are particularly challenging.
- 2.4 The Garden Village scheme has been allocated a Homes England Housing Infrastructure Funding (HIF) grant of £21.7m. However, due to the complexity of the planning application and resolving a number of objections and issues raised by significant statutory consultees, the project has been significantly delayed and the delivery programme is being reviewed. In addition, members of the Committee should note that this was a planning application for a Council promoted scheme, which potentially limits the developer's normal opportunity of appealing a decision made by the local planning authority as generally local authorities do not appeal a planning authority's decision. Therefore, officers have worked to marshal many of these consultee objections. This included a twelve month delay associated with the Environment Agency which arose in September 2021.

Contractual milestones and the description of the works to be funded through HIF are currently being renegotiated with Homes England. It is expected that there will be a requirement to complete all HIF spend by 31st March 2025, although this remains subject to the agreement of Homes England.

- 2.5 Following the progress through the planning process, work will now be undertaken to prepare a detailed delivery strategy in order to increase delivery certainty, ensure an exemplar garden community development and manage the financial and legal risks. It is intended to bring a decision report to approve the final business case and delivery strategy informed by a comprehensive gateway review, to Economy & Growth Committee later this year prior to proceeding into the delivery phase of the project

3. Recommendations

That the Committee:

- 3.1 Note the progress that has been made to deliver the Garden Village scheme and towards securing planning permission.
- 3.2 Note that there are strategic project risks, which include legal, planning, construction costs, housing market volatility, external grant funding, capacity, and site constraints, which will require appropriate oversight and legal advice.
- 3.3 Approve the undertaking of a gateway review, preparation of a final business case and production of a delivery strategy, to identify the most commercially appropriate and effective means of delivering the primary infrastructure and the wider garden village project whilst controlling costs and maximising capital receipts, including addressing governance structures going forward.

- 3.4 Note that a detailed report on the outcomes of the gateway review and delivery strategy and key decisions required will be presented to committee in the new municipal year with a target date of September 2023.

4. **Reasons for Recommendations**

The Garden Village is a major long-term project for the Council, with the ultimate objective of delivering a new sustainable garden community. Development schemes of this kind are inevitably challenging and require sophisticated project management and timely decision making. Significant commitment, investment and resources will be needed to deliver the key elements of the project as efficiently and effectively as possible which will be set out in the future delivery strategy now that there has been progress with the planning application.

5. **Other Options Considered**

- 5.1 A detailed options appraisal will be prepared as part of the gateway review to inform the delivery strategy. At a strategic level, the options set out in 5.2 may be available to the Council for delivery of the Garden Village.

5.2

Option	Impact	Risk
Do nothing	Project not taken forward. Council decision to abort the project.	No land receipts would not be realised, the capital costs to date would need to be written off to revenue, the HIF grant would not be crystallised and there would be a loss of 1500 homes which were to be delivered as part of planned development in the Local Plan, which could be expected to result in unwelcome and unplanned development elsewhere in the Borough.
Delay	Reduce capital expenditure by slowing the delivery of the project	Construction costs will continue to increase. The required housing supply would not be realised.

Take full responsibility for all elements of delivery	Council controls and delivers all elements of the project	This would be costly and almost certain to exceed the current budget. It would require additional resources and expertise in the core team.
Optimise delivery route to accelerate programme and manage costs	Manage capital expenditure by considering alternative delivery strategies – for example, disposal and/or involving housebuilders in the delivery programme	This is likely to be the most desirable the preferred route and a strategy will be emerge and be reported for decision following the gateway review and delivery strategy, It will enable the Council to manage its cashflow, manage risk and harness the power of the private sector.

6. Background

6.1 Garden Village

The Garden Village at Handforth is an allocated strategic site in the Local Plan (LPS33). It will create a new sustainable settlement with approximately 1,500 new dwellings (of which 30% of which will be affordable homes), a new village centre and high street, a through school, sports facilities, and sustainable transport routes.

The development will offer connectivity to the existing village of Handforth and the wider economic area. It will showcase exemplar standards of design, mixed tenure housing, high quality and accessible public open space including green corridors, country-park style open spaces, formal sports pitches, allotments and community orchards.

It is part of the Government's Garden Communities programme and has been planned as an exemplar new settlement.

The Council is the majority landowner and has taken the lead on securing Allocation in the Local Plan, preparing and promoting the adoption of a Supplementary Planning Document (SPD), and obtaining planning approvals. It has been envisaged that the Council will lead on the delivery of the primary infrastructure, which comprises vegetation clearance, a substantial cut and fill, works to the existing highways and the new village centre road. Various

decisions were delegated to the Executive Director – Place in the previous Cabinet report (Minutes in Appendix 1) in relation to this.

6.2 Planning Status

The hybrid planning application (19/0623M) for the Garden Village was recently considered at Strategic Planning Board with the outcome being a resolution to grant planning approval, subject to completion of a section 106 agreement, other planning conditions and the Environment Agency withdrawing an objection. Correspondence confirming the withdrawal of this objection has now been received. The section 106 agreement and detailed planning conditions need be agreed prior to full granting of planning permission.. A Listed Building Consent for stabilisation and repair of Dairy House Farm was approved in December 2022 and approval for the Park & Ride facility at Handforth railway station was granted in 2021.

A substantial number of planning conditions and section 106 obligations will need to be discharged before site works can commence. Of particular importance will be the conditions relating to protecting Dairy House Farm, ground remediation and ecology.

The two planning applications and related consents and permits are currently in the name of Engine of the North (EOTN), the Council's wholly owned development company which was brought back in-house in August 2019 following a decision by Cabinet. However, the company continues to exist as a legal entity and remains in the full control of the Council. Consideration, as part of the gateway review, final business case and delivery strategy, will need to be given to its ongoing role.

6.3 Housing Infrastructure Funding

The Garden Village scheme benefits from a Homes England Housing Infrastructure Funding (HIF) grant of £21.7m which must be invested on the primary infrastructure to enable development including vegetation clearance, cut and fill, works to the existing highways and the new village centre road. The programme and description of the infrastructure to be funded is currently being renegotiated with Homes England but it is expected that the grant will need to be fully spent by 31/03/25. Further extensions are unlikely so the delivery strategy adopted by the Council needs to ensure expenditure of the grant in advance of this deadline.

There is an opportunity to seek Capacity Funding from Homes England to support the delivery programme. The focus of the grant application should be on accelerating the HIF funded infrastructure and resourcing the core project team. Homes England have been a positive supporter of the Garden Village and other schemes in the Borough and the co-investment of this central government agency would be very welcome.

6.4 Design Optimisation

Given the expected requirement to defray £21.7m funding by 31/03/25, opportunities for accelerating the delivery of the HIF funded infrastructure need to be identified, prior to moving into the delivery phase of the project. Elements of the programme that could be accelerated include site clearance, mobilisation of earthworks, preparation of the housing land / development parcels, onsite and offsite highways works. There is expected to be an opportunity to forward fund works to Dairy House Farm through HIF as this is a key programme dependency.

6.5 Next Steps: Gateway Review and Delivery Strategy

This site is in a strong market location close to Wilmslow and South Manchester with good connectivity to the airport and city centre. However, construction inflation is a significant risk and the housing market is expected to be unpredictable for the next period.

As the major landowner, the scheme will generate capital receipts for the Council in the long term. However, the cash flowing requirements would exceed the current approved budget if the Council sought to forward fund all the infrastructure and development costs itself. Certain elements of the project have evolved, particularly relating to the delivery model that was envisaged in 2018, , A gateway review, final business case and delivery strategy are required in order to undertake Due Diligence to appropriately balance risk and reward and to use capital resources as efficiently as possible whilst maximising and accelerating capital receipts. It is intended that this will be reported for decision (target date: September 2023) by Economy & Growth Committee.

The gateway review, final business case and delivery strategy will consider how best to accelerate the project (particularly the HIF expenditure), manage risk, harness the expertise and resources of the private sector including other landowners within the development area, ensure an exemplar development, maximise capital receipts and control expenditure.

Key considerations will be to:

1. Review the approach to delivering the primary infrastructure and earthworks.
2. Focus activity on ensuring that the HIF grant can be spent by 31/03/25.
3. Review the strategy for marketing, disposal and development of the village centre and residential land parcels.
4. Managing and mitigating the main risks such as construction cost inflation, house price / land value volatility, site constraints, discharging planning conditions, reserved matters applications and meeting section 106 obligations.

5. Consider the role of the Council in direct development of some or all elements of the scheme. For example, will the Council act as a developer / contractor or purely as a landowner?
6. Confirm governance structures for the implementation of section 106 requirements and discharge of planning conditions.

7. Consultation and Engagement

- 7.1 There has been extensive consultation via the planning process in relation to the Allocation, SPD and planning applications. There have been numerous discussions, meetings and engagement with local stakeholders and organisations both relating to the planning process and the implementation. This has included Handforth Parish Council and ward members.

8. Implications

8.1 Legal

There are a number of risks associated with the project which will need ongoing legal advice and support. These include:

- The securing of the developers (EoTN) obligations, legal authority and status
- Appropriate section 106 or other agreements as required.
- Compliance with planning conditions
- Securing the acquisition of neighbouring land and the potential use of CPO powers if required
- Agreement with neighbouring landowners

In addition, legal advice will be required as to the necessary throughout progress of the scheme, and in relation to the above matters as well as relevant contractual and other documents to secure implementation of the scheme.

8.2 Finance

- The total approved budget to deliver the Garden Village at Handforth is £64.7m, a budget of £48.9m was approved in the Medium-term Financial Strategy in February 2022 and then a subsequent Supplementary Capital Estimate of £15.8m was approved at full Council on the 14th December 2022.
- The scheme is partly funded by the HIF funding that needs to be spent by 31st March 2025 or there could be a risk the funding would be withdrawn and the scheme may not be able to continue. Given the current financial pressures the Council is experiencing it is unlikely the Council would be able to fund any funding gap at this stage.

- The remainder of the funding will come from Cheshire East's own Resources up to the £64.7m approved budget. Once complete the scheme will generate a capital receipt for the Council.

8.3 Policy

- The Garden Village is a key component of the Borough's Local Plan and will deliver on a wide range of Council priorities relating to housing, education, open space, sustainable transport, heritage etc.

8.4 Equality

- The Garden Village is being planned as an inclusive community with accessible routes, affordable homes, elderly provision, and a diverse range of tenures and house types.

8.5 Human Resources

- Currently one FTE is directly employed in the Economic Development Service to oversee the delivery of the three strategic sites, supported by council enabling services, including, legal, finance and assets, and external specialist consultants are engaged on this project. To progress the delivery of the Garden Village and to achieve the exemplar scheme that the Council is requiring, further staffing resource from across the Council will need to be engaged directly on the programme of works. A capacity fund bid is currently being prepared for Homes England to help fund this additional resource.

8.6 Risk Management

- **Planning**

As would be expected from a development scheme of this scale, the hybrid planning approval is subject to numerous planning conditions and there will also be significant obligations in the s106 agreement. The ability of the Council, and potentially other parties, to discharge these obligations and conditions efficiently and expediently is a risk, particularly in relation to spending the HIF funding by March 2025. There will be a number of Reserved Matters applications required and the approach to dealing with these will be set out in the delivery strategy which to be presented to this Committee later in the year.

- **Development Constraints**

Much of the land within the Garden Village was previously used by the Royal Air Force / Ministry of Defence. There are also legacy landfill sites within the Allocation which relate to the previous highways improvement projects in the vicinity. Additionally, the site was partially remodelled by the Council's predecessor, which involved significant materials movement and has exacerbated the complexity. There are therefore geotechnical issues to

overcome as part of the next phase of work. Substantial site investigations and specialist inputs will be required throughout the development of the site.

Whilst this is a a flagship location with excellent connectivity to the Manchester conurbation, Manchester Airport and motorway network, significant infrastructure investment will be required to the A34 corridor as part of the s106 Agreement obligations.

Within the site, there are a collection of Grade 2 Listed farm buildings which are in poor condition. The planning policy framework for the site requires that development of the Garden Village facilitates the preservation and refurbishment of these buildings.

- **Viability**

The business case is underpinned by a number of assumptions and will be reviewed and finalised as part of the gateway review and delivery strategy over the coming months. However, all indications are that the Garden Village is financially viable and cash positive for the Council but, if the Council were to take the lead on delivering all the required infrastructure, the cash-flowing requirement would be expected to exceed the approved budget.

Construction inflation is a live risk and the housing market is likely to be volatile and unpredictable for the next period.

The gateway review will explore options to manage the expenditure and risk profile and the delivery strategy will set out the proposed approach which balances delivering an exemplar development against risk and cost.

- **Funding**

The longstop date for spending the £21.7m HIF grant is 31/03/25. All funding must be spent by this date and there is no guarantee that further contract extensions would be granted. A design optimisation exercise is underway to profile a delivery programme which enables sufficient investment in primary infrastructure by this date.

The contractual conditions of the HIF Grant Funding Agreement require that the homes are delivered and failure to achieve this could result in clawback of the grant.

- **Risk Management & Project Governance**

Operational issues and risks are being monitored and managed through the Strategic Housing Sites Programme Board which is chaired by the Director of Growth & Enterprise. There is an escalation pathway through to the Place Board which is chaired by the Executive Director – Place. Additional project management capacity will be required as the scheme moves forward toward implementation.

8.7 Rural Communities

None

8.8 Children and Young People/Cared for Children

Play and sports facilities and informal open space will be designed into this new community and a new through school is facilitated by the development. The Council's leading role in this scheme means that this will be well planned and high quality. Because this is a large scale development, sufficient funds are generating to deliver these facilities and other positive outcomes at scale.

8.9 Public Health

The development will provide significant opportunities for outdoor activities including informal recreation, play and sports. As a brand new community, the ability for people to sustainably and actively travel will be designed in. Through the s106 obligations, financial contributions will flow from the development into health provision. There is also likely to be some conveniently located older peoples' housing in the early phases of development.

8.10 Climate Change

It is intended that the garden village will have sustainable development as a core principle locked in by design. Active travel such as walking and cycling, and the use of public transport will be encouraged. A wide range of local facilities will be provided to minimise dependence on the car. It is anticipated that there will be extensive green energy measures including district heating network and electric vehicle charging points.

Access to Information	
Contact Officer:	Charles Jarvis Charles.Jarvis@cheshireeast.gov.uk
Appendices:	Appendix 1: Cabinet Report & Minutes (11/9/2018) Cabinet Report 11 Sept 2018
Background Papers:	None

Work Programme – Economy and Growth Committee – 2022/23

A Report title in Bold indicates that this is a significant decision

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
EG/28/22-23	14 Mar 2023	Homelessness and Rough Sleepers Strategy Update	To receive an update on the current position in relation to homelessness and progress against the action plan.	Director of Growth and Enterprise		No	No	Green	
EG/29/22-23	14 Mar 2023	Leasehold Properties	To provide an update on the current position on leasehold properties and the survey undertaken by the Housing Teams to establish what local developers and registered housing providers intentions were in relation to leasehold properties.	Director of Growth and Enterprise		No	No	Green	
EG/26/22-23	14 Mar 2023	Cultural Framework 2023 - 2028	To approve a refreshed CEC Cultural Framework for 2023 - 2028.	Director of Growth and Enterprise		yes	yes	Fair; Green; Open	
EG/09/22-23	14 Mar 2023	Second Financial Review Report	To receive an update on the financial position for 2022/23. To note or approve virements and supplementary estimates as required.	Director of Finance and Customer Services (s151 Officer)		No	Yes	Open	No
EG/24/22-23	14 Mar 2023	Carbon Update	To provide an update on the progress of the carbon programme and to seek from the committee such decisions as shall be necessary in order to further the programme to its agreed conclusion.	Director of Growth and Enterprise		Yes	Yes	Green	

Reference	Committee Date	Report title	Purpose of Report	Report Author /Senior Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment Required and Published (Y/N)	Part of Budget and Policy Framework (Y/N)	Corporate Plan Priority	Exempt Item and Paragraph Number
EG/31/22-23	14 Mar 2023	Cheshire Archives Delivery Phase	To seek authority to accept a grant from NLHF and seek confirmation of delivery mechanisms and governance for the delivery phase of Cheshire Archives - A Story Shared project.	Director of Growth and Enterprise		No	Yes	Fair; Green; Open	
EG/31/22-33	14 Mar 2023	Cheshire Homechoice Partnership	To receive an update on the Cheshire Homechoice Partnership, its aims and to reaffirm the governance arrangements.	Director of Growth and Enterprise		No	Yes	Green	Yes - 3
EG/34/22-23	14 Mar 2023	Digital Investment Plan 2023-2025	To consider and approve the Digital Investment Plan, which will shape activity and priorities relating to the broader digital agenda.	Director of Growth and Enterprise		No	Yes	Fair; Green	
EG/32/22-23	14 Mar 2023	Notice of Motion: The Development of Council Housing	To consider the Notice of Motion, referred to the Committee by Council on 14 December 2022.	Director of Growth and Enterprise		No	No	Fair; Green	
EG/34/22-23	14 Mar 2023	Crewe Technical and Digital Innovation Centre	To receive an update on the progress made to date on the proposal for a Technical & Digital Innovation Centre (TADIC) in Crewe Town Centre.	Director of Growth and Enterprise		Yes	Yes	Fair	
EG/27/22-23		Housing Strategy 2023-2026	Approval is sought to go out to consultation on the draft Housing Strategy 2023-2026.	Director of Growth and Enterprise		Yes	No	Green	No
EG/04/22-23		Supported Employment Strategy	This report sets out the recommendations for a strategic approach to supported employment relating to adult social care customers with complex needs and support into work.	Executive Director Adults, Health and Integration		Yes	Yes	Fair; Green	No