

OFFICER DECISION RECORD (ODR2)

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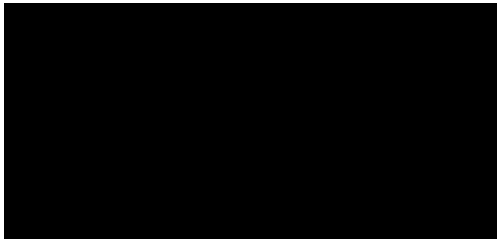
Date of Decision	07.07.2025
Decision Taker (including Job Title)	Phil Creswell (Executive Director Place) in consultation with Janet Witkowski (Governance, Compliance and Monitoring Officer)
Specific Delegation	This record relates to an officer decision taken under a delegation provided by the Economy & Growth Committee, Handforth Garden Village Delivery Strategy on 11.03.25 where the Committee resolved to: <ol style="list-style-type: none"> 1. approve the Council entering into an exclusivity agreement with MADE Partnership to explore the principle of forming a joint venture partnership that would lead the development of Handforth Garden Village. 2. delegate to the Executive Director Place authority to: <ol style="list-style-type: none"> i. negotiate and enter into the exclusivity agreement in the consultation with the Governance, Compliance and Monitoring Officer.
Brief Description of Decision	To enter into an Exclusivity Agreement with MADE Partnership.
Reasons for the Decision and alternatives considered	E&G Committee approved that a joint venture with MADE Partnership should be considered as an option for delivering the Garden Village. It was reported to members of E&G Committee that the Council entering into an Exclusivity Agreement (EA) would be required to provide assurance to MADE Partnership as they utilised their own

	<p>resources and incurred significant costs to explore this option in detail.</p> <p>In summary, the Council and MADE Partnership wish to explore the possibility of forming an Investment Partnership (IP) to act as master developer for the Garden Village at Handforth (GVH). Assembling and analysing the information necessary to properly evaluate this proposition will be time consuming and incur a significant cost. MADE has agreed to meet these costs in consideration of the Council refraining from actively pursuing alternative delivery strategies whilst the evaluation process is in progress. Both parties wish to enter into an EA to set out their shared objectives, identify the activities that need to be carried out to examine the potential for an IP and define the restrictions that will be accepted by the Council whilst a potential IP is being evaluated.</p> <p>The EA will be effective for a period of 18 months, which can be extended by agreement of between the parties.</p> <p>A summary of the objectives of the EA are to:</p> <ul style="list-style-type: none"> • define a structure for an IP • undertake critical workstreams to ensure that the delivery of GVH continues • maximise drawdown of Housing Infrastructure Fund (HIF) grant • prepare a comprehensive delivery plan • prepare a comprehensive cashflow model to allow both parties to assess future returns • subject to reaching an agreed position, seek approvals to establish an IP <p>A key consideration is that, whilst under the EA, the Council will not be able to exercise influence in a way that is akin to imposing obligations to carry out works or services on MADE Partnership.</p> <p>During the EA period, the Council will need to undertake thorough due diligence to understand the benefits, costs, risks and issues of the IP approach and to ensure that it will secure its quality and financial objectives for GVH whilst obtaining best consideration for its landholdings. In negotiating the terms of the EA, the Council has taken external legal advice from Bevan Brittan via CEC Legal Services.</p>
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	<p>Up to an estimated £500,000 may need to be spent by the Council to cover commercial, financial and legal advice and/or changing specification of existing contracts. This may not be eligible expenditure for HIF. This sum is a small portion of the allocation in the MTFS for this Scheme. If the EA leads to the formation of an IP then the major benefit will be to reduce the need to for further CEC investment. Further approvals may be required for this expenditure, either using powers under schemes of delegations or via Committee where spend is significant.</p> <p>Officers believe that working with MADE partnership could present an opportunity to access far greater expertise, resources and capacity to facilitate delivery of GVH than it would have directly available to it.</p> <p>At the end of the EA period, a further decision from Committee will be required, if appropriate, to enter into an IP.</p>
Member consultation and interests declared	The previous Committee Report set out this course of action clearly and the Garden Village Member Advisory Group has been briefed.
Significant Decision	NO
Legal Implications	<p>I approve and endorse this ODR on the following basis:</p> <ul style="list-style-type: none"> • It complies with the Council's constitution; • Is entered into further to the appropriate committee delegation; • Legal have reviewed and worked on the Exclusivity Agreement and confirm that it is a suitable arrangement for the Council and MADE to explore the basis on which an Investment Partnership to take forward Handforth Garden Village as a project might come to fruition. As a quid pro quo for it engaging with the Council MADE wish to ensure that the project is the sole focus for the Council's deliberations as to how to take the project forward during the Exclusivity Period. The Exclusivity Period is for 18 months; but with provision for the Council to

	<p>withdraw if milestones in the Delivery Plan appended to the Exclusivity Agreement are not met.</p> <ul style="list-style-type: none"> If the project progresses following the exclusivity period then an Investment Partnership will be formed. The Council's control of and influence over the development will be limited to that of a co-investor alongside Made Partnership. <p>Adrian Leslie - Lawyer Contracts & Procurement Team</p> <p>adrian.Leslie@cheshireeast.gov.uk</p> <p>30 June 2025</p>
Financial Implications	<p><i>The Capital Programme currently includes an allocation of £64.7m relating to Handforth Garden Village in CAP-10006 and CAP-10595. To date, £9.5m has been charged against CAP-10006.</i></p> <p><i>It is recognised that the value within the Capital Programme is insufficient should the Authority wish to take the project on as Master Developer and significant forward funding would be required before the Authority was able to generate significant cash inflows. The Authority's financial position does not currently allow for this but the existing planning decision means that some activity is required to meet the planning deadlines.</i></p> <p><i>By entering into the Exclusivity Agreement the Authority can allow MADE to investigate, at its expense, the potential for entering into an investment partnership (IP) to develop the garden village thereby potentially securing a significant financial outcome in the long term.</i></p> <p><i>The agreement prevents the Authority from certain activities but it does allow it to continue the planning and delivery of primary infrastructure. It also recognises that historic and future costs could qualify as Agreed Expenditures and form part of the Authority's equity investment in an IP.</i></p> <p><i>It is therefore important that the Authority ensures that wherever possible the expenditure it incurs would meet the definition for Agreed Expenditure.</i></p>

	<p><i>Not all expenditure will qualify as Agreed Expenditure. In addition, not all expenditure will be eligible for drawing down against available HIF funding. The capital programme assumes that current spend will be met from a combination of HIF grant, prudential borrowing and capital receipts. Given the Council's financial position it would be prudent to minimise spend that requires funding via borrowing and to maximise HIF drawdown. In addition it would be advantageous to explore other sources of funding to alleviate any need for Council borrowings. If the Council is required to forward fund any expenditure e.g. due diligence work around the assessment of, and potential set up of an investment partnership then this would need to be sought in advance via the finance team and Section 151 Officer.</i></p> <p><i>Aaron Lecroy, Principal Accountant, 24 June 2025</i></p>
Confidential/Exempt Information	N/A
Background Papers	<p>Committee Report</p> <p>Report E&G Committee 11.03.25</p> <p>Printed Minutes</p> <p>Minutes E&G Committee 11.03.25</p>

Signed 

Executive Director Place

Dated07.07.2025.....

In consultation with



OFFICIAL

Signed

Deputy Monitoring Officer

Dated27th June 2025.....