

Report to CABINET

Creating a Better Place Update: Spindles Redevelopment

Portfolio Holder(s):

Cllr A Chadderton, Leader of the Council and Cabinet Member for Regeneration and Housing

Cllr A Jabbar, Deputy Leader and Cabinet Member for Finance and Low Carbon

Cllr E Taylor, Deputy Leader and Cabinet Member for Culture, Sports and Events

Senior Officer Responsible: Harry Catherall, Chief Executive Officer

Officer contact: Emma Barton, Executive Director for Place and Economic Growth

Report Author: Robert Mayo, Interim Development Director

25th July 2022

Reason for Decision:

Cabinet approval was obtained in February 2022 for the expenditure of funds to progress the design and delivery of the Spindles Redevelopment via the appointment of Willmott Dixon Construction through a Pre-Construction Services agreement and Enabling Works contract for the demolition of TJ Hughes.

Following further design and survey work, this report provides an update on the current position of the project and a recommendation to amend the contract strategy which has resulted from the outcome of further investigation works undertaken. The purpose of the recommendations set out in this report are to ensure value for money, provide the most efficient delivery programme for the redevelopment, reduce the project risk profile, and ensure the earliest possible delivery of the strategic outcomes.

Executive Summary

Following approval at Cabinet in February 2022, a Pre-Construction Services Agreement was entered into with Willmott Dixon Construction for the Spindles Redevelopment. It is recommended that the Spindles Redevelopment is contractually split into two separate project and contract workstreams.

- **Project / Contract Workstream 1:**

- Demolition of TJ Hughes
- Construction of the new Market & Events space
- Roof improvement works

- **Project / Contract Workstream 2:**

- Redevelopment of internal spaces within the centre (Workspace and Archive)

There are two main benefits to this approach in relation to both the programme for delivery and reduced inflation cost risks caused by the current market conditions which could impact the scheme.

Recommendations

- 1) As set out in the Part B report.

Creating a Better Place Update: Spindles Redevelopment

1 Background

1.1 The Spindles Outline Business Case was approved in July 2021 which approved the commencement of a RIBA Stage 3 design, procurement of the required contractors for the main Redevelopment and Phase 1 office works and planning application strategy.

1.2 Subsequently in February 2022, Cabinet approval was gained for the FBC and the appointment of Willmott Dixon Construction, a local construction company based in Oldham.

1.3 The business case confirmed the following objectives:

- **Regeneration and Town Centre Activation:** Increasing footfall and activation of the centre through intervention, reduction of void space in prime retail areas to consolidate and improve the town centre offer – create a destination of choice for Oldham’s local communities.
- **Social Value Benefits:** Providing opportunities for Employment, Learning, Skills and Social contributions across the design, procurement, delivery and operational phases of the project.
- **Championing a Green Recovery:** Supporting the Green New Deal embedding sustainability and net zero carbon ambitions within the project
- **Reduction in Asset Cost Base:** Enabling the relocation of Tommyfield Market from a building that is failing and has significantly exceeded its expected lifetime, reducing immense investment requirements in out of date buildings that are no longer fit for purpose, remove backlog maintenance concerns and support energy efficient / sustainable buildings.
- **New Town Centre Homes:** Enabling core town centre regeneration proposals to be commenced by releasing key sites for commercial and residential development.

1.4 The business case also set out preferred development options following community and business engagement activities, which included priorities for more family friendly activities, improved accessibility, low carbon / sustainable / green energy solutions, new jobs, filling empty units, more things to do and places to visit came through strongly in alignment with Council ambitions and CV19 recovery plans. This was embedded into the project and supported four priority areas:

- **Market:** Relocation of Tommyfield Market into Spindles creating a new market which will better serve the needs to Oldham and its residents, driving footfall and creating a more vibrant town centre to support market and independent traders.
- **Events and Conferencing:** Creation of a new events and conferencing space to hold up to 500 people for a variety of events and Council requirements replacing the existing QE Hall.
- **Archive:** Creation of a publicly accessible archive store which will bring the archive into the town centre and allow much greater accessibility and a storage facility that provides greater protection and security
- **Flexible Workspace:** Creation of a new modern flexible workspace for the Council housing between 600 and 900 workstations, meeting and breakout spaces with high environmental standards supporting the productivity and wellbeing of everyone who works there.

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- 1.5 Funding for the Spindles project has already been approved through the Council's Capital Programme (March 2020) and associated Creating a Better Place strategic framework in (updated: August 2020). This was revisited as part of the Capital Programme Budget setting in March 2021. Redevelopment cost estimates continue to be scrutinised to test and ensure best value considerations and opportunities for external funds such as decarbonisation have been, and continue to be, progressed and secured where appropriate.
 - 1.6 Town Deal funding has also been secured (subject to final business case submissions and Cabinet approval of funding terms) for two projects which fall within the Spindles remit: Tommyfield Market and a Flexible office space, enhancing the economic and financial case for the redevelopment and investment further. The project aligns with the Creating a Better Place programme which through reviewing projects and the use of council assets for enhanced sustainable, energy efficiency, meeting customer needs will support the achievement of revenue savings.
 - 1.7 After receiving feedback from staff, residents, market traders and the business community from engagement exercises throughout the lockdown period, further extensive public consultation was undertaken between Oct to Dec 2021 to pick up ideas and suggestions that further helped shape, steer and influence the redesign, to help change the future of the building and support our town centre and local economy to recover from the Coronavirus pandemic.
 - 1.8 All procurement exercises have been undertaken in full compliance with Public Procurement Law and the Council's Contract Procedure Rules. The Procure Partnerships Construction Framework was selected for the Main Redevelopment works: further details were included in the February 2022 Cabinet report.
 - 1.9 Since the previous Cabinet report - the appointment of Willmott Dixon Construction in March 2022 has allowed significant progress to be made on the project, and the planning application for the redevelopment of the site received unanimous planning approval on 8th June 2022.

2 Current Position / Programme

- 2.1 The current target programme and the construction programme has been developed in conjunction with Willmott Dixon Construction and work has commenced on site with completion of all works by Q4 2024.

3 Options/Alternatives

- 3.1 The alternative to the recommendations set out in this report are detailed in the part b report.

4 Preferred Option

- 4.1 The preferred option is set out in the part b report to mitigate delays and reduce the risk of cost escalation.

5 Consultation

- 5.1 Extensive consultation has taken place, this was detailed in the February 2022 Cabinet report.
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6 **Financial Implications**

- 6.1 The costs are set out in the part b report, however the capital expenditure will be a charged against the Creating a Better Place Capital Programme.
- 6.2 The current expected costs of the contracts are within the total maximum budget approved by Cabinet. (James Postle - Finance Manager)

7 **Legal Services Comments**

- 7.1 Full compliance is in place with the Council's Contract Procedure Rules, Financial Procedure Rules and all relevant regulations relating to the Project.
- 7.2 Further comments are provided in the part b section of the report.
(Rebecca Boyle – Group Solicitor – Corporate Team).

8. **Co-operative Agenda**

- 8.1 The redevelopment of the Spindles Shopping Centre supports the delivery of the Oldham Model; helping to accelerate economic recovery and sustain a thriving town centre for our communities. (Amanda Richardson - Policy Manager)

9 **Human Resources Comments**

- 9.1 The Spindles redevelopment will create additional employment opportunities which will be a benefit for the residents of the borough. (Catherine Pearson – Strategic HR Lead)

10 **Risk Assessments**

- 10.1 From a risk perspective the proposals set out seem appropriate
(Mark Stenson – Assistant Director of Corporate Governance and Strategic Finance)

11 **IT Implications**

- 11.1 N/A

12 **Property Implications**

- 12.1 Property matters are embedded in the body of the report.
(Rosalyn Smith – Team Leaders Estates)

13 **Procurement Implications**

- 13.1 The preferred option set out in this report is supported by corporate procurement who have reviewed alongside legal advice and are satisfied that the approach is compliant with public procurement law.
(Dan Cheetham, Procurement)

14 Environmental and Health & Safety Implications

- 14.1 Environmental: the workstreams set out in this report will support the carbon neutrality ambitions set out in the Oldham Green New Deal.
(Andrew Hunt – Green Energy and Sustainability Manager)

15 Equality, community cohesion and crime implications

- 15.1 There are no community cohesion implications arising from the proposal.
(Natalie Downs, Stronger Communities)

16 Implications for Children and Young People

- 16.1 N/A

17 Equality Impact Assessment Completed?

- 17.1 An Equality Impact Assessment was completed as part of the Creating a Better Place Programme. This will be reviewed again as the projects progress and are further developed.
(Gail Aspinall, Capital Programme and Special Projects Manager, CaBP)

18 Key Decision

- 18.1 Yes

19 Key Decision Reference

- 19.1 ESR-14-22

20 Background Papers

- 20.1 Creating a Better Place Cabinet Report, March 2022

21 Appendices – None