

TOWN CENTRE REGENERATION - MERSEYWAY**Report of the Corporate Director for Place and Borough Treasurer****1. PURPOSE OF REPORT**

- 1.1 The confidential report attached provides an overview for Members on the strategic approach that the Council has taken to the current and future role of Merseyway Shopping Centre within the context of our wider ambition for the town centre. The report is confidential by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 in respect of which the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 1.2 It updates Members on the Council's approach to managing Merseyway Shopping Centre and asks for Cabinet approval of the overarching redevelopment strategy set out in the report.
- 1.3 The report asks for approve in principle, and subject to further feasibility works, for a first package of works which comprises:
 - The creation of a Food Court;
 - The creation of semi-permanent retail and leisure 'pods' at suitable points along Merseyway;
 - Design works aimed at ensuring the former Next unit can be let at the earliest opportunity;
 - The property transaction as outlined in the report;
- 1.1. It asks for Cabinet approval for further feasibility work on the packages of work in line with the delegated authority and approved funding as described in the confidential report.
- 1.2. With regard to the structural and public realm works described in the confidential report, the report asks for Cabinet approval for the submission of a business case to Transport for Greater Manchester for Local Growth Fund resources and to sign the appropriate delivery agreement (subject to further Cabinet and / or Cabinet Member approval if required);
- 1.3. Finally, the report seeks Cabinet approval to amend the delegated authority in place to agree transactions as part of the ongoing estate and asset management of the shopping centre.

2. JOURNEY TO DATE

- 2.1 The Council's due diligence prior to acquisition demonstrated, Merseyway Shopping Centre was suffering from a lack of significant investment since the building of the covered section in the 1990s and this underinvestment was having a detrimental impact the town centre as a whole.
- 2.2 As part of the acquisition strategy and justification for the purchase of the centre it was envisaged that the Council would commit to a substantial capital investment (subject to completion of a business case demonstrating a satisfactory return) to carry out major refurbishment and redevelopment. The objective is to provide a modern and adaptable retail experience for all users and to make both the shopping centre and the town centre as a whole competitive going forward.
- 2.3 The Council's approach to Merseyway acquisition and redevelopment forms part of a wider investment programme. This programme reflects both the Council's ambition for Stockport and the town centre's underlying potential given its exceptional transport connectivity, its catchment and resident workforce, its unique historic built environment, and its proximity to Manchester city centre.
- 2.4 The current town centre programme comprises a range of schemes which individually and collectively address longstanding issues which have held Stockport back from realising its full potential:



- 2.5 The momentum generated by the current town centre programme provides a platform for subsequent phases of development, not least residential development, which help further shape the opportunities that Stockport can offer its residents, visitors, and businesses.
- 2.6 Merseyway Shopping Centre plays a central role in Stockport Town Centre as a retail hub, a place of large-scale employment, and a visitor attraction

- 2.7 The Council's vision for Merseyway is for the centre to provide a high quality retail and leisure offer which matches the current and future needs of retailers, visitors, and customers.
- 2.8 The strategy underpinning the approach set out in this report is, therefore, to create an attractive and adaptable environment which encourages users to spend time and enjoy the variety of experiences that the shopping centre and the town centre as a whole can offer.
- 2.9 This strategy is informed by the guiding principles of viability, deliverability, and affordability. It focuses on the following objectives:
- A high quality retail offer
 - An attractive physical environment
 - A much improved food and leisure offer
 - High quality access and amenity
 - Full integration into the wider town centre
 - A scheme which improves perceptions of the entire town centre.
- 2.10 It is in this wider context that the asset management strategy and redevelopment options for Merseyway have been worked up and assessed.
- 2.11 The option recommended for Cabinet approval is a part new build and refurbishment option on the grounds that it has the ability to create a major change by varying the proposed solution between refurbishment / new build as each part of the centre requires.
- 2.12 The principle of refurbishment can address many of the offer, access, and image concerns which have been identified. This flexibility also helps mitigate delivery risk via phased delivery as described in detail below.

3. RECOMMENDATIONS TO THE CABINET

The Cabinet is recommended to:

- 3.1. Note the progress to date with regard to the Council's approach to managing Merseyway Shopping Centre;
- 3.2. Approve the strategic approach to the regeneration of Merseyway as outlined in the report;
- 3.3. Approve in principle, and subject to further feasibility works, a first package of works which comprises:
- The creation of a Food Court at Arden Walk;
 - The creation of semi-permanent retail and leisure 'pods' at suitable points along Merseyway;
 - Design works aimed at ensuring the former Next unit can be let at the earliest opportunity;
 - The property transaction as outlined in the report;

- 3.4. Authorise further feasibility work on the packages of work in line with the delegated authority and approved funding as described in the confidential report;
- 3.5. With regard to the structural and public realm works described in the confidential report, and subject to further Cabinet and / or Cabinet Member approvals if required, authorise the submission of a business case to Transport for Greater Manchester for Local Growth Fund resources and sign the appropriate delivery agreement;
- 3.6. Approve the proposed change to the delegated authority for approving property transaction set out in the confidential report so that responsibility for Estate Management is delegated to the Deputy Chief Executive and Corporate Director for Place Management and Regeneration.
- 3.7. Authorise the Corporate Director for Place Management and Regeneration and Borough Treasurer in consultation with the Leader of the Council and Cabinet Member for Economy & Regeneration to take all necessary steps to implement the strategy in this report reporting back as necessary and appropriate to Cabinet.

BACKGROUND PAPERS

Merseyway: Acquisition of Leasehold Interests Executive Report, April 2016

CONFIDENTIAL APPENDICIES

Town Centre Regeneration - Merseyway Cabinet Report December 2017

CBRE Presentation on Redevelopment Options

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