Meeting: 29th June 2021

MDC INVESTMENT FRAMEWORK

The appendix to this 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.

Report of the Corporate Director (Place) and Deputy Chief Executive

AGENDA ITEM

1. INTRODUCTION AND PURPOSE OF REPORT

1.1. The Stockport MDC is now an established and nationally-recognised initiative that is delivering the Council's long-term regeneration vision for Stockport's Town Centre West as set out in the Strategic Regeneration Framework for the area that was approved in November 2019. The MDC has the necessary strategic leadership and delivery expertise in place and has brought forward a first phase of development backed by the £100m investment facility approved by Council in October 2019.

1.2. The MDC is now moving forward with ambitious plans to scale-up delivery through a next phase of residential and commercial development alongside major infrastructure for the town centre, including extension of the Metrolink network and redevelopment of Stockport Station. This ambition requires a comprehensive framework for unlocking the large-scale investment capacity needed from multiple partners to successfully drive forward delivery.

1.3. The MDC has commissioned Deloitte Real Estate to develop that comprehensive investment framework in consultation with the Council, Greater Manchester Combined Authority, Transport for Greater Manchester, and the Stockport MDC Board. The investment framework proposes a number of investment sources and opportunities which have the potential to increase the MDC's investment capacity, involve a range of public and private sector partners, and enable the Council to leverage the investment it has already committed to the regeneration of both Town Centre West and the wider Town Centre. This is included in Confidential Appendix 1 to this report.

1.4. This report recommends that Cabinet approve the Stockport Mayoral Development Corporation Investment Framework and authorise officers to progress the work required to secure future external investment in Stockport Town Centre regeneration.

2. SCOPE OF THE MDC INVESTMENT FRAMEWORK

2.1. The MDC Investment Framework document takes into account the regeneration ambition that the Council and the MDC are committed to and the individual schemes that are coming forwards, local market conditions and potential returns to investors over the long- and medium-term, the appetite of private funders (especially larger institutional investors) for the type of

investment opportunities that are now coming forward in Stockport's Town Centre West, and the range of existing and anticipated funding opportunities across the wider public sector.

2.2. From that basis the Investment Framework proposed four 'pillars' through which the MDC should focus its efforts to unlock new funding opportunities and secure additional investment capacity. The four 'pillars' are:

2.2.1. Leveraging Stockport Council's committed investment in the area to unlock other funding from external partners

2.2.2. Maximising uptake of existing and new funding from public sector partners

2.2.3. Developing a proposal for discussion with Government on the use of additional local taxation receipts as a result of development to help part-fund major infrastructure investment

2.2.4. Partnering with institutional investor(s) to unlock private sector funding at the necessary scale (subject to acceptable cost and risk)

3. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

3.1 Revenue and Capital consequences of report recommendations

3.1.1 The budget implications of the recommendation to progress the workstreams in the MDC Investment Framework will be met from the MDC budget approved by Cabinet in December 2018.

3.2 The effect of the decision

3.2.1 The decision will provide formal Council approval to progress the workstreams described at paragraph 2.2 above.

3.3 Risks

3.1.3 None.

3.4 Options

3.4.1 None.

3.5 Future savings / efficiencies

3.5.1 None.

4. LEGAL CONSIDERATIONS

4.1 The recommendations in this report do not have any legal implications.

5. HUMAN RESOURCES IMPACT

5.1 The recommendations in this report do not have any impact on the Council's staff establishment.

6. EQUALITIES IMPACT

6.1 The recommendations in this report do not have any impact on equalities.

7. ENVIRONMENTAL IMPACT

7.1 The recommendations in this report do not have any impact on the environment.

8. CONCLUSIONS AND RECOMMENDATIONS

8.1 The MDC Investment Framework is a detailed and credible strategy for securing the additional funding needed to progress the Council's regeneration ambitions for the Town Centre. The document's focus is ambitious and reflects the scale of the Council's plans for Stockport and is based on detailed analysis of the investment market and the opportunities that exist across the wider public sector.

8.2 The Investment Framework provides an overall strategy through which, subject to Cabinet approval, a number of individual workstreams could be undertaken to secure additional investment into Stockport. Any future investment agreement(s) will require separate Cabinet decision and will be submitted to Members at the appropriate time and in line with the Council's decision-making processes.

8.3 This report recommends that:

8.3.1 Cabinet approve the Stockport Mayoral Development Corporation Investment Framework and

8.3.2 Cabinet authorise officers to progress the work required to secure future investment in Stockport Town Centre regeneration.

BACKGROUND PAPERS

Mayoral Development Corporation, Cabinet, 18th December 2018

Mayoral Development Corporation Investment Strategy, Cabinet, 1st October 2019

Town Centre West Strategic Regeneration Framework – Outcome of Consultation 12th November 2019

MDC Strategic Business Plan 2021-2026 and Annual Action Plan 2021 – 2022, 27th April 2021

Anyone wishing to inspect the above background papers or requiring further information should contact Paul Richards on Tel: 0161-474-2940 or by email on paul.richards@stockport.gov.uk