

## Greater Manchester Combined Authority

Date: 12 July 2024

Subject: Mayoral Development Corporation for Northern Gateway – In Principle Decision

Report of: Councillor Bev Craig, Portfolio Lead for Economy, Business and Inclusive Growth and Tom Stannard, Portfolio Lead Chief Executive for Economy, Business and Inclusive Growth

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### Purpose of Report

This report seeks the Greater Manchester Combined Authority's approval in principle to the creation of a Mayoral Development Corporation (MDC) for the Northern Gateway project, with further details and decisions to follow as set out in this paper.

### Recommendations:

The GMCA is requested to:

1. Agree in principle to the creation of an MDC for the Northern Gateway project.
2. Agree that GMCA officers can explore with Bury, Oldham, and Rochdale Councils detailed options for an MDC to be created for Northern Gateway, with these matters to be decided upon by GMCA and the Local Authorities in due course.

### Contact Officers

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# Equalities Impact, Carbon and Sustainability Assessment:

## Recommendation - Key points for decision-makers

1. Agree in principle to the creation of an MDC for the Northern Gateway project; and
2. Agree that GMCA officers can explore with Bury, Oldham, and Rochdale Councils detailed options for an MDC to be created for Northern Gateway, with these matters to be decided upon by GMCA and the Local Authorities in due course.

## Impacts Questionnaire

Impact Indicator	Result	Justification/Mitigation
Equality and Inclusion	G	Northern Gateway will provide access to homes across a range of types and tenures and high-quality employment opportunities to a part of Greater Manchester which has been relatively economically disadvantaged. The development will also enhance access to social and transport infrastructure for new and existing residents.
Health		
Resilience and Adaptation		
Housing	G	This proposal will support the delivery of around 1,750 new homes as part of the Northern Gateway project, a proportion of which will be affordable homes of various tenures. It will also support economic development with local employment benefits, enhancing access to and affordability of homes for local residents.
Economy	G	Northern Gateway is the is one of Greater Manchester’s Investment Zones and is a site of potentially international significance. It is the largest new employment site in Greater Manchester, a ‘Giga-Scale Plus’ opportunity which will see over 1m sqm of employment space developed, with significant associated employment, GVA, and growth implications. Its strategic location has the ability to attract national and inward investment from a multitude of sectors including advanced manufacturing, distribution and logistics, with innovation at its core. Development activity will be complemented by a package of training and skills interventions to ensure new high-quality jobs are accessible to local people.
Mobility and Connectivity	G	Northern Gateway will bring significant investment in transport infrastructure in the north-east of Greater Manchester, including Strategic Road Network and Local Road Network improvements. Alongside this will be enhancement of existing public transport provision and creation of new public transport options and sustainable travel modes serving the new developments.
Carbon, Nature and Environment	A	Delivery of development will have short- and long-term environmental impacts but significant mitigation will be required as part of proposals to address these. Delivery of new low- and zero-carbon homes and commercial premises will improve the average efficiency of properties across Greater Manchester and contribute to the achievement of carbon neutrality by 2038. Biodiversity enhancement is a mandatory requirement for all new developments.
Consumption and Production		
Contribution to achieving the GM Carbon Neutral 2038 target		Delivery of new low- and zero-carbon homes and commercial premises will improve the average efficiency of properties across Greater Manchester and contribute to the achievement of carbon neutrality by 2038.

### Further Assessment(s):

Carbon Assessment

G	A	R	RR
Positive impacts overall, whether long or short term.	Mix of positive and negative impacts. Trade-offs to consider.	Mostly negative, with at least one positive aspect. Trade-offs to consider.	Negative impacts overall.

## Carbon Assessment

Overall Score



### Buildings

Result

Justification/Mitigation

New Build residential		Details of development proposals are to be determined, however there is an overarching commitment to deliver in accordance with requirements set out in Places for Everyone and GMS.
Residential building(s) renovation/maintenance	N/A	
New build non-residential (including public) buildings		Details of development proposals are to be determined, however there is an overarching commitment to deliver in accordance with requirements set out in Places for Everyone and GMS.

### Transport

Active travel and public transport		Details of public transport and active travel interventions are to be determined but will represent an enhancement over existing.
Roads, Parking and Vehicle Access		Details of development proposals are to be determined but principles of decreased personal vehicle use and increased sustainable transport modes are agreed.
Access to amenities		Details of development proposals are to be determined but principles of decreased personal vehicle use and increased sustainable transport modes are agreed.
Vehicle procurement	N/A	

### Land Use

Land use		Details of development proposals are to be determined, however there is an overarching commitment to deliver in accordance with requirements set out in Places for Everyone and GMS.
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No associated carbon impacts expected.



High standard in terms of practice and awareness on carbon.



Mostly best practice with a good level of awareness on carbon.



Partially meets best practice/ awareness, significant room to improve.



Not best practice and/ or insufficient awareness of carbon impacts.

## Risk Management

As this proposal is an in-principle decision only there are no risk management issues associated with this decision.

## Legal Considerations

As this proposal is an in-principle decision only there are no legal considerations associated with this decision.

## Financial Consequences – Revenue

None.

## Financial Consequences – Capital

None.

Number of attachments to the report: 0

## Comments/recommendations from Overview & Scrutiny Committee

N/A.

## **Background Papers**

1. Atom Valley, Mayoral Development Zone (GMCA approval 29 July 2022)

## **Tracking/ Process**

Does this report relate to a major strategic decision, as set out in the GMCA Constitution

No

## **Exemption from call in**

Are there any aspects in this report which means it should be considered to be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?

No.

## **Bee Network Committee**

N/A.

## **Overview and Scrutiny Committee**

N/A.

# 1. Background

- 1.1. The Northern Gateway site is recognised by the public sector partners comprising the Atom Valley Mayoral Development Zone (MDZ) as integral to delivering the vision for Atom Valley and a key driver in the achievement of economic development objectives set out in the Greater Manchester Strategy and Places for Everyone.
- 1.2. The Northern Gateway site is one of Greater Manchester's Investment Zones and is potentially a site of international significance. It has an exceptional strategic location situated at the junction of the M62, M60 and M66 offering excellent highways connectivity with the potential to make it the most accessible site in the North of England. It is the largest new employment site in Greater Manchester, a 'Giga-Scale Plus' opportunity which Greater Manchester must take full advantage of if our growth aspirations are to be met.
- 1.3. There is a need to ensure effective and rapid implementation of this major project through maximising supporting resources from both public and private sectors.
- 1.4. Delivery of Northern Gateway will have positive implications for the implementation of the other two projects in Atom Valley, namely Stakehill Business Park and Atom Valley Innovation Centre (AVIC) at Kingsway Park. Its significance is however much wider as a major strategic economic growth opportunity for Greater Manchester and the North.
- 1.5. To drive delivery of Northern Gateway at the desired pace and realise the transformational outcomes it will deliver, it is necessary to consider alternative governance and delivery models for the project to those currently in place for the project.
- 1.6. Given the general election on 4 July 2024 and a new Governmental term following this, a Comprehensive Spending Review is anticipated for late 2024. It is critical to position Northern Gateway to be favourably considered as part of that process.
- 1.7. Work to support the establishment of an MDC for Northern Gateway will incorporate preparation of a strategic and economic case for Government commitment to investment in Northern Gateway to maximise the opportunity the site offers and to attract major investors, to feed into the Comprehensive Spending Review.

## **2. Mayoral Development Corporations**

- 2.1. Development corporations are important tools for delivering large-scale development, including mixed-use regeneration, transformational urban extensions, and new settlements.
- 2.2. In the right circumstances, these powerful vehicles can bring a number of advantages to complex projects including:
  - 2.2.1. The focus, coordination, and consistent delivery of a dedicated body with a specific purpose to develop and deliver a strategic vision for a defined area;
  - 2.2.2. Highly visible public sector commitment coupled with broad public- and private-sector expertise at board level as a driver for private investment; and
  - 2.2.3. Broad powers to facilitate delivery of the project.
- 2.3. Traditionally, development corporations have been established and led by central government. The Localism Act 2011 set out the parameters for creation of locally-led Mayoral Development Corporations (MDCs), where elected mayors designate MDCs in consultation with their combined authorities.
- 2.4. These powers were used by the Mayor of Greater Manchester in September 2019 to establish an MDC for Stockport Town Centre West, in collaboration with Stockport Council and Homes England. The MDC has a clear remit to take forward the GMCA and Stockport Council's ambitious plans for the regeneration of Town Centre West, delivering new homes and growth as well as the long-term vision for the area set out in Stockport Council's Strategic Regeneration Framework.

## **3. Mayoral Development Corporation for Northern Gateway**

- 3.1. Given the complexities of delivering Northern Gateway and long-term nature of the project, it is considered an MDC would be the most appropriate route to drive the timely, cost-effective, and high-quality delivery of this transformational flagship development.
- 3.2. A single-location MDC has emerged as the preferred option for delivery of Northern Gateway, however the benefits are summarised as follows:

- 3.2.1. Creation of a separate and time limited but long-term organisation specifically focused on the delivery of Northern Gateway, with governance arrangements and resources to support this objective. This would span multiple political cycles while maintaining democratic responsibility to both the Mayor and the Councils, increasing long-term certainty and providing a platform for public and private sector investment;
- 3.2.2. Granting access to senior leadership skills at both executive- and non-executive level to take active responsibility for taking the development process forward, which is essential for a project with the scale and complexity of Northern Gateway;
- 3.2.3. A single body to both set the strategic vision for Northern Gateway and marshal resources and powers across the wider public sector to underpin its delivery. This could include land assembly and disposal, master planning, development facilitation, site preparation and infrastructure and place creation; procuring and entering into development agreements with delivery and investor partners; and
- 3.2.4. A high-profile vehicle to position Northern Gateway as a successful flagship development with clear market proposition and a single focus for inward investment, with attendant benefits for other parts of Atom Valley and GM more widely.

## **4. Alternative Delivery Models for Northern Gateway**

- 4.1. Aside from an MDC for Northern Gateway, there are several other potential approaches available to us to support delivery of this flagship development:
  - 4.1.1. Private sector-led development with public sector enabling activity (existing position (MDZ));
  - 4.1.2. Direct public sector development partnering with private sector; and
  - 4.1.3. Maximum public sector intervention, with several routes for this;
    - a) Implementation and delivery vehicle(s);
    - b) Corporate Joint Venture (JV); and
    - c) Local Authority CPO and direct delivery;
    - d) Local Authority Asset Backed Vehicles (LABVs); and
    - e) MDC for Atom Valley.

- 4.2. The existing Mayoral Development Zone has successfully positioned the Northern Gateway site and facilitated master planning and engagement with the private sector. It was important that a governance model working across the three municipal boundaries was put in place rapidly to drive forward what was already a GM growth location. This was in the context of a developing spatial plan (PFE). Adoption of the PFE means that the Northern Gateway site now requires a more robust governance arrangement to drive the site forward and ensure its potential is maximised for the benefit of Greater Manchester as a whole.
- 4.3. Each of the options above have been considered across a number of dimensions including transparency and accountability, scale and extent of legal powers, ability to raise finance, risk sharing, and timeframe for establishment, with the result that a single-location MDC offers the best balance of these considerations.

## **5. Strategic Development Vision**

- 5.1. The Northern Gateway site provides unparalleled scalability and adaptability to meet the diverse needs of a range of industries and evolving market dynamics, ensuring flexibility and responsiveness to market demand.
- 5.2. The site is strategically positioned as a central driver of regional progress, leveraging its connectivity to become a focal point of economic activity within Greater Manchester, due to its numerous attributes:
- 5.2.1. It has been designated as part of Greater Manchester's Investment Zone, promoting the site on a national and international footing;
  - 5.2.2. Its strategic location has the ability to attract inward investment from a multitude of sectors including advanced manufacturing, distribution and logistics;
  - 5.2.3. The size of the development means it has the potential for a giga-scale investment; and
  - 5.2.4. Modern, affordable, and reliable public transport service, with active travel provision and enhancement, will provide a sustainable, connected network of travel routes, linking existing residential areas with new business premises and facilities, and providing health and wellbeing benefits.



## **6. Next Steps**

- 6.1. Subject to the in-principle approval of GMCA and corresponding in-principle approvals from Bury, Oldham, and Rochdale Councils to the creation of an MDC for Northern Gateway, GMCA officers, in conjunction with colleagues from Bury, Oldham, and Rochdale, will explore the permutations associated with establishment of an MDC.
- 6.2. These explorations will include:
  - 6.2.1. Governance arrangements, including board composition;
  - 6.2.2. Resources available to the MDC, principally staff; and
  - 6.2.3. Devolved powers, including planning and CPO powers.
- 6.3. The results of these investigations and associated recommendations will be subject to subsequent approval by GMCA and Bury, Oldham, and Rochdale Councils.
- 6.4. Any such approval will also request permission to carry out the statutory consultation required before an MDC can be designated by the Mayor of Greater Manchester and formally established by order of the Secretary of State for Levelling Up, Housing and Communities.
- 6.5. Whilst meeting the requirements of the Localism Act 2011 as amended by the Greater Manchester Combined Authority Order 2017, we will hope to learn the lessons from establishment of the Stockport MDC and have the Northern Gateway MDC in place as quickly as possible.

## **7. Recommendations**

- 7.1. The GMCA is requested to:
  - 7.1.1. Agree in principle to the creation of an MDC for the Northern Gateway project; and
  - 7.1.2. Agree that GMCA officers can explore with Bury, Oldham, and Rochdale Councils detailed options for an MDC to be created for Northern Gateway, with these matters to be decided upon by GMCA and the Local Authorities in due course.