

Date: 31 January 2019

Subject: Stockport Interchange Mixed Use Scheme – Update report

Report of: Salford City Mayor Paul Dennett, Portfolio Lead for Housing, Homelessness and Infrastructure and Steve Rumbelow, Portfolio Lead Chief Executive for Housing, Homelessness and Infrastructure

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## **PURPOSE OF REPORT**

This report seeks Greater Manchester Combined Authority approval to delegate authority to approve the appointment of the Development Partner and enter into an Interim Collaboration Agreement in relation to the Stockport Interchange scheme detailed in the recommendation below.

## **RECOMMENDATIONS:**

The Greater Manchester Combined Authority is requested to:

1. Delegate authority to the GMCA Treasurer in consultation with the Head of Procurement to approve the recommended Development Partner and sign the necessary Interim Collaboration agreement.

## **CONTACT OFFICERS:**

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## **BACKGROUND PAPERS:**

Stockport Interchange/Town Centre Mixed Use Proposals (report to GMCA 29 June 2018)

**Equalities Implications:** none

**Climate Change Impact Assessment and Mitigation Measures:** none

**Risk Management:** see section 3

**Legal Considerations:** see section 4

**Financial Consequences – Revenue:** see section 5

**Financial Consequences – Capital:** see section 6

**Number of attachments to the report:** none

**Comments/recommendations from Overview & Scrutiny Committee:** N/A

<b>TRACKING/PROCESS</b>		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution		YES
<b>EXEMPTION FROM CALL IN</b>		
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
TfGMC	Overview & Scrutiny Committee	

## 1. INTRODUCTION & BACKGROUND

- 1.1 In 2014, the Stockport Interchange scheme was awarded funding from the Greater Manchester Local Growth Deal to redevelop the existing town centre bus station as a modern transport interchange. The scheme was amended in 2016 to include construction of a residential apartment block. The lead promoter for the project is Transport for Greater Manchester (TfGM), working in conjunction with Stockport Metropolitan Borough Council (SMBC).
- 1.2 The design includes a new state of the art transport Interchange consistent with current standards, c190 residential units with provision for c70 car parking spaces and commercial/amenity space beneath, a raised podium creating high quality "green" public space, enhanced connectivity to the rail station and River Mersey frontage, together with a range of additional ancillary infrastructure.
- 1.3 A paper was approved by the GMCA on the 28th June 2018 that provided in principle approval to £5m of patient equity investment from GMCA that enabled a tender exercise for a Development Partner to be initiated and further design development to be undertaken.
- 1.4 A planning application for the overall scheme was granted on 21 March 2019. SMBC has also been successful in receiving a grant award of £3.8m for the scheme from the Ministry of Housing, Communities and Local Government (MHCLG) under the Marginal Viability element of the Housing Infrastructure Fund.
- 1.5 Following appropriate tender processes, the intention is for a Main Contractor and a Development Partner to be appointed and to work with TfGM, SMBC and GMCA under an Interim Collaboration Agreement to further develop and refine the scheme proposals prior to final approvals being sought from the GMCA to construct the scheme.
- 1.6 The procurement processes are now nearing completion. The GMCA is now required to approve the appointment of the Development Partner and enter into the Interim Collaboration Agreement with the chosen Development Partner alongside TfGM and SMBC.

## **2. PROCUREMENT PROCESS UPDATE**

- 2.1 The tender process for the Development Partner commenced in July 2019, in the name of SMBCA/GMCA, seeking the appointment of a prospective Development Partner to fund and operate the Residential element of the scheme.
- 2.2 Final responses have been received and are subject to an ongoing formal evaluation process but provide sufficient comfort that a viable funding proposal may ultimately be sourced for the Residential element of the scheme.
- 2.3 The Interim Collaboration Agreement formalises the relationship with GMCA, TfGM, SMBC and the Development Partner. It outlines the terms of the collaboration on the Scheme, the process to agree changes to any designs and sets out the responsibility for costs.
- 2.4 TfGM, who have been managing the procurement process of the Development Partner, will prepare a tender evaluation report setting out the results of the process and recommend the preferred Development Partner to the GMCA. On accepting the recommendation, the GMCA will be required to sign the Interim Collaboration Agreement with the preferred Development Partner.

## **3. RISK MANAGEMENT**

- 3.1 The tender process to select the Development Partner has been undertaken in accordance with all necessary procurement regulations.

## **4. LEGAL CONSIDERATIONS**

- 4.1 All legal documents have been reviewed and approved by appropriate legal advisors to mitigate any legal risks associated with the process.

## **5. FINANCIAL CONSEQUENCES – REVENUE**

- 5.1 The Development Partner and TfGM will be required to meet all revenue cost associated with entering into the legal agreements with the GMCA taking no liability for costs under the agreement.

## **6. FINANCIAL CONSEQUENCES – CAPITAL**

- 6.1 There are no capital consequences associated with entering the legal agreements.

## **7. RECOMMENDATION**

- 7.1 It is recommended that the GMCA delegate authority to the GMCA Treasurer in consultation with the Head of Procurement to approve the recommended Development Partner and sign the necessary Interim Collaboration agreement.