

Report to:	Cabinet	Date: 05 March 2025
Subject:	Northern Gateway (MDC Approval to Consult and Joint District Memorandum of Understanding) - PART A	
Report of	Leader and Cabinet Member for Strategic Growth	

Summary

1. As outlined in previous Cabinet Papers, the Council is working in partnership with Rochdale Council and the Combined Authority to bring forward the Northern Gateway sites, providing a significant boost to employment opportunities and economic growth locally.
2. To aid the delivery of the sites, it is proposed that a Mayoral Development Corporation (MDC) is created to reflect the importance of the site regionally and nationally.
3. It is also an appropriate time to create more formal procedures for working with Rochdale Council in bringing the sites forward, until such time as the MDC is in place. As such, it is proposed that a Memorandum of Understanding is entered into between the two districts.

Recommendation(s)

4. It is recommended that Cabinet:
 - i. Endorses the principles of the Memorandum of Understanding (MoU) which has been developed to formalise the joint working arrangements with Rochdale Council to progress work on Atom Valley and Northern Gateway.
 - ii. Delegates authority to the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth to develop the detail of the joint-district MoU and formalise the agreement, or any subsequent agreement which is deemed necessary.
 - iii. Notes the recommendations contained within Northern Gateway Delivery Vehicle Options Paper (Deloitte) and endorses the Mayoral Development Corporation (MDC) as the preferred delivery vehicle for Northern Gateway.
 - iv. Approves the boundary (Appendix A) and name of the Northern Gateway MDC, in addition to endorsement of the proposed consultees.

- v. Authorises the approval to consult on an MDC as the preferred delivery vehicle for Northern Gateway to facilitate the establishment of an MDC, subject to the outcome of the consultation.
- vi. Notes that a further report will be brought back to Cabinet before an MDC will be formally implemented, with more details on its Governance structure and operations.
- vii. Notes Rochdale Borough Council's intention to take a similar report to their respective Executive in respect all items detailed above.
- viii. That, subject to the decisions of this Council and Rochdale Council, a report will be presented to the Greater Manchester Combined Authority requesting that it endorse the proposal to consult on the establishment of a Mayoral Development Corporation as the preferred delivery vehicle for Northern Gateway.
- ix. That a further report will be presented to Cabinet following the outcome of the consultation before any recommendation is made to the Greater Manchester Combined Authority to request the Secretary of State to formally establish an MDC for the Northern Gateway site.

Reasons for recommendation(s)

- 5. Further to Cabinet approval in September 2024 to endorse the development of joint working arrangements with Rochdale Council, approval of the principles of Memorandum of Understanding (MoU) with Rochdale Council and delegation to develop and formalise the MoU will further cement alignment of our shared commitment to work together with our partners to deliver Northern Gateway.
- 6. Following Cabinet endorsement in September 2024 to allow officers to explore potential delivery options for Northern Gateway, joint advice was commissioned between the Councils and Greater Manchester Combined Authority which concludes that a Mayoral Development Corporation is the most appropriate delivery vehicle to achieve our shared ambitions for the Northern Gateway. Approval to consult on the implementation of an MDC as the preferred delivery vehicle for Northern Gateway will allow the statutory process for implementation to progress – for an MDC to be established, there is a statutory requirement for a consultation to take place.
- 7. Approval of the proposed name and boundary of the Northern Gateway MDC will provide the material required to commence the statutory consultation process.

Alternative options considered and rejected

8. That the principles of the Memorandum of Understanding are not approved, undermining the relationship that has been built up with Rochdale Council and increasing risk to the delivery of Northern Gateway.
9. That the MDC is not endorsed as the preferred delivery vehicle for Northern Gateway. Prior to identifying an MDC as the recommended delivery vehicle for Northern Gateway, the Northern Gateway Delivery Vehicle Options Paper (Deloitte) undertook an analysis of a range of alternative vehicles. These alternative vehicles were discounted for a range of reasons, including intensive time and resources required to set up, level of risk share with the private sector, insufficient powers, difficulties in creating cross-boundary governance and reliance on pending legislation creating threats to delivery timelines based on an untested model with no best practise basis.
10. That the proposed MDC boundary and name are not approved, which would result in the consultation not being able to take place.
11. That the approval to consult on the Northern Gateway MDC is not given, meaning further work could not progress on its implementation and increasing risk to the cohesive delivery of Northern Gateway.

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Background**Northern Gateway Joint District Memorandum of Understanding (MoU):**

12. The Council has worked closely with Rochdale Council for a number of years to ensure the site was allocated through the Places for Everyone plan. In March 2020, Rochdale Council granted planning permission for the first phase of development at Northern Gateway, a £400m mixed-use scheme at South Heywood, which included the Queen Elizabeth Way link road to J19, 1.8m sq ft of industrial and warehousing floorspace and 1,000 new homes. The new link road opened to traffic in late 2022 and Rochdale has since funded the extension of this highway improvement scheme along Pilsworth Road. Around 300 family homes are either occupied or under construction as part of the first phase of Northern Gateway.
13. Going forward, the recent policy interventions and funding opportunities necessitate more structured and formalised working, resourcing and governance arrangements with Rochdale Council and GMCA to realise the opportunities and to reflect the sites status as part of the Greater Manchester Investment Zone.

14. Districts have agreed that the strong working relationship that has developed now needs to be formalised to ensure the successful joined up, collaborative, open and transparent governance and delivery of development in the area. To reflect this, in September 2024 Cabinet endorsed the development of formal joint working arrangements with Rochdale Council. This work has now been progressed, and the principles of a joint district MoU are presented within this report for approval.
15. The draft joint-district MoU is based on the principles set out in this report and provides the basis for a collaborative arrangement between Bury Council and Rochdale Council in the governance and delivery of Northern Gateway and associated infrastructure projects. Subject to the approval of the principles and the delegation of the development of the MoU, the document will be formalised to ensure both districts collaborate to address key issues as the creation of an MDC is developed.
16. The MoU is based on the foundation of the Northern Gateway Strategic Development Vision, which was endorsed by Cabinet in September 2024, and endorsed by the Atom Valley MDZ Board July 2024.
17. The geographical scope of the MoU relates to the proposed MDC boundary as presented at Appendix A.
18. The draft MoU presents a series of partnership principles which relate to the development and delivery of the Northern Gateway site, and surrounding developments, which as detailed as follows - Members are asked to consider the principles presented below for approval,:

17.1 Commitment to governance arrangements (as endorsed at September 2024 Cabinet);

17.2 Pooling of Skills / Staff Resources:

- Best endeavours to provide adequate resources as required
- Includes resources currently committed to as listed below, plus the recruitment of a Northern Gateway Project Director (2-year fixed term initially), with the proposal being for this role to become MDC Chief Executive upon establishment of an MDC:
 - Major Project Manager (Northern Gateway) – Bury / Rochdale Councils
 - Major Project Manager (Western Access) – Bury Council
 - Head of Strategic Growth (0.5fte) – Rochdale Council
 - Graduate Regeneration Officer (0.75fte) – Bury Council
- Resources may also include access to officers with specialisms including Legal and Procurement
- Annual review due to nature of the work and subsequent variation in the precise level of staffing needed.

17.3 Bids for Funding / Pooled Budgets:

- Collaborative approach to infrastructure funding bids
- Proactively promoting Northern Gateway within GM's investment priorities
- Commitment to match funding (where it is agreed districts are the most appropriate source of match and to a maximum of 50%)

17.4 Future receipts from retained business rates:

Working closely with GMCA, further development work will take place to ensure the terms of the Investment Zone relating to the re-investment of future business rates growth to support growth in the advanced machinery and materials sectors are satisfied.

Districts will work with the GMCA to explore a mechanism for borrowing against future locally retained business rates from across the site. Further approvals will be needed by Cabinet on Investment Zone funding and any future proposals for pooling and retaining business rates.

17.5 Planning Policy Guidance:

With respect to the Northern Gateway, a Development Framework (NGDF) has been produced by the districts. The NGDF has been the subject of statutory public consultation and is before Members for adoption as a Supplementary Planning Document. Once adopted, the NGDF SPD will establish the key principles for the development of the site and establish a framework against which future planning applications on the site will be considered. It will also help districts ensure that the ambitions for the site are realised and the benefits to the communities of Bury and Rochdale are maximised.

The Districts will continue to explore further opportunities for the shared development of joint planning policy guidance documents to ensure a consistent quality of development and place making is delivered across the Northern Gateway site.

17.6 Development Management – Planning Decision Making:

The principle of a joint district planning committee to manage strategic planning application spanning land across both Districts is being explored and will be the subject of a further report to both Councils. Whilst the details are to be determined and agreed, a joint committee would allow any applications received for the site within a set of pre-determined criteria, to be determined from a cross-boundary perspective, to ensure timely decision making and a consistent standard of development is achieved.

17.7 Coordinated approach to marketing and promotion:

Districts will jointly collaborate through the communications and marketing teams to take relevant workstreams forward, and where relevant will link in with the Atom Valley governance structure.

17.8 Maximise Social Value:

Work together to evolve and ensure compliance with a Northern Gateway Social Value Strategy, which will set principles for the coordinated delivery of social value.

19. In line with the Partnership Agreement Principles outlined above, the draft MoU presents the agreement that districts will:

- comply with their respective obligations in this Agreement;
- act at all times in good faith and in line with the principles of being open, transparent, joined up and collaborative;
- notify the other parties of any information relevant to the site (on or off-site) or that could impact the realisation of the delivery of the Strategic Development Vision;
- provide sufficient level of resource to deliver key milestones as set out in the Northern Gateway Business Plan, and other workstreams from time to time, and to comply with the obligations;
- respond promptly to requests for support, review and appraisal, approval or consent and not to unreasonably withhold or delay consent for any matter which its consent is required under the Agreement;
- enter into all necessary legal agreements (including any necessary agreements with the Joint Venture and other third parties) required to deliver the Project.

20. The draft MoU outlines that there may be some areas of work where one district takes responsibility, which will be determined due to physical administrative boundaries.

21. Delegation is sought for the Director of Law and Democratic Services in consultation with the Executive Director of Place and the Council Leader and Cabinet Member for Strategic Growth to develop the detail of the joint-district MoU and formalise the agreement, or any subsequent agreement which is deemed necessary.

22. Subject to any subsequent decisions taken by the Councils and the Greater Manchester Combined Authority to establish a Mayoral Development Corporation for the Northern Gateway (see below), the terms of any collaboration between the Districts will need to be reviewed and refreshed.

Mayoral Development Corporation (MDC):

23. In July 2024 GMCA Executive agreed to the 'in principle' establishment of a Northern Gateway MDC and subsequently in September 2024 Cabinet authorised officers to explore potential delivery options for Northern Gateway, including exploration of Mayoral Development Corporation (MDC). The GMCA Executive meeting report also highlighted a series of alternative delivery approaches for Northern Gateway to be explored to ensure an appropriate delivery vehicle is identified to enable the accelerated delivery of the programme, by providing a clear framework with the necessary governance and resource arrangements to support.
24. Consideration of an MDC for Northern Gateway was previously made but it was concluded this was premature until such time the Places for Everyone Plan secured the formal release of the site for development, with the formation of the non-statutory Atom Valley Mayoral Development Zone (MDZ) being the preferred route to increasing its importance within Greater Manchester. The circumstances have now changed due to the adoption of the Places for Everyone Plan in March 2024.
25. Development Corporations can be important tools for delivering large-scale development, including mixed-use regeneration, transformational urban extensions, and new settlements. In the right circumstances, these powerful vehicles can bring a number of advantages to complex projects, including:
- a focus on coordination and consistent delivery from a dedicated body with a specific purpose to develop and deliver a strategic vision for a defined area;
 - Highly visible public sector commitment coupled with broad public- and private-sector expertise at board level as a driver for private investment; and
 - Powers to facilitate the delivery of the project.
26. Deloitte were commissioned to develop a Delivery Vehicle Options Appraisal to build upon recommendations contained within GMCA's Executive Report to provide robust evidence to enable decision making on the appropriate delivery vehicle for Northern Gateway, which will support delivery of the strategic allocation.
27. The Delivery Vehicle Options Appraisal assessed a series of options and refined these into a shortlist – the shortlist was then analysed, including consideration of the complexity of this being a cross-boundary scheme.
28. Deloitte's assessment concluded the delivery vehicle with the greatest ability to support the effective delivery of Northern Gateway is an MDC. This stems from the MDC's capacity to maintain local accountability and explore potential enhanced powers, alongside a series of additional benefits:
- Retains local accountability and local community input;
 - Provides delivery and governance stability in the long-term;
 - Streamlines private sector engagement by acting as a "front door";
 - Boosts the profile of the Northern Gateway programme;

- Ring-fences and provides sufficient resources for delivery;
- Convenes the public sector by establishing a single institutional platform;
- Has the ability to explore powers such as, land assembly, plan-making and financial incentives for accelerated delivery;
- Has previous examples to use as a benchmark and does not rely on pending legislation.

29. Alternative delivery mechanisms were discounted for a range of reasons, including intensive time and resources required to set up, level of risk share with the private sector, insufficient powers, difficulties in creating cross-boundary governance and reliance on pending legislation creating threats to delivery timelines based on an untested model with no best practise basis.

30. The designation of Mayoral Development Corporations is governed in Greater Manchester by the Localism Act 2011 Part 8, Chapter 2, as modified by the Schedule to the Greater Manchester Combined Authority (Functions and Amendment) Order 2017 (the Act).

31. This provides that the Mayor may designate a Mayoral development area only if consultation has taken place and been concluded in accordance with the Act. Authorisation is sought within this Report to endorse the Mayor carrying out this consultation.

32. Cabinet approval is sought for the following to be included as part of the consultation:

32.1. MDC Name: *Atom Valley Northern Gateway Mayoral Development Corporation*

32.2. MDC Boundary: See Appendix A

33. Subject to approval, the consultation will take place for no less than 21 days.

34. Consultation on the Northern Gateway MDC will allow statutory and additional consultees to provide a response to the proposals, and for these responses to be reflected as part of subsequent work to progress the implementation of the MDC, including the development of a constitution and confirmation of resources.

35. Statutory consultees are as follows:

- Members of the GMCA;
- MPs whose parliamentary constituency contains part of the proposed area;
- Each district council whose areas are within the proposed boundary (in this case Bury and Rochdale).

36. In addition to these mandatory statutory consultees, the Mayor is able to consult with any other person they consider it to be appropriate to consult. It is proposed that the consultation will be extended to all residents and businesses in the proposed MDC area, and:

- Council Members in each district for the proposed area.

37. It is proposed that the consultation will also be publicly accessible through the GM Consult engagement platform, providing information about the proposal, in addition to appropriate supporting materials.

38. The Mayor must have regard to any comments made in response by the consultees; and in the event any comments received are not accepted by the Mayor, the Mayor must publish a statement giving the reasons for non-acceptance.

39. In alignment with the consultation, a Business Case will be developed to further define the detail of the key matters for determination to further support the proposed creation of an MDC. The Business Case will contain details of a developed rationale for intervention; purpose, aims and objectives of an MDC; governance and decision-making; financial considerations; risks and resources.

40. Should the recommendations in this Report, and its equivalents for Rochdale and GMCA be approved a Shadow MDC Board will be established in advance of an approval to implement of an MDC to provide an interim position to enable Northern Gateway to move forward at pace.

41. Further reports will be brought to Cabinet with recommendations following conclusion of this workstream.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

42 A key part of the Places for Everyone Plan is to rebalance the Greater Manchester economy by significantly boosting the economic output from the north through the delivery of new housing and employment that will benefit both Bury and its residents. The plan sets out strategic site allocations that will guide future growth and development in the Borough. The 'Let's Do It' strategy specifically refers to Places for Everyone as having a key role to play in the delivery of its objectives and priorities, in addition to the Corporate Plan 2024/25 seeks to deliver the Vision for 2030 which is for the Council to Achieve Economic Growth.

43 As Bury's largest employment allocation within the Places for Everyone plan, Northern Gateway supports delivery of the Vision 2030 and 'Let's Do It!' to stand out as a place that is achieving faster economic growth than the national average, with lower than national average levels of deprivation through the development of

employment space to enable job creation and upskilling of residents, leading to economic growth:

Local – The project will generate jobs for local people, enhance economic regeneration and provide links with existing and new communities.

Enterprise - the project will drive economic growth and inclusion by creating more employment space for existing businesses to expand into and to encourage more local, national and international businesses to open in the Borough; helping to ensure residents have the best chance to access good jobs.

Together – Ensuring sustainable access into the site to maximise inclusivity and access to opportunities for members of the local community and working with partners to maximise social value opportunities to shape outcomes.

Strength - the project will provide space for new and expanding local business within a site that is well connected to local communities. This will provide opportunities for community wealth building through new business start-ups, increased local spend and the adoption of new skills whilst providing opportunity for all through provision of sustainable transport modes.

Equality Impact and Considerations:

*Please provide an explanation of the outcome(s) of an initial or full EIA and make **specific reference regarding the protected characteristic of Looked After Children**. Intranet link to EIA documents is [here](#).*

- 44 The attached Equality Impact Assessment concludes that impacts are positive and will continue to be assessed as the project progresses.

Environmental Impact and Considerations:

*Please provide an explanation of the carbon impact of this decision. Please include the impact on both **Carbon emissions** (contact climate@bury.gov.uk for advice) and **Biodiversity** (contact c.m.wilkinson@bury.gov.uk for advice)*

- 45 Environmental impacts and concerns will be assessed and monitored as project delivery commences and will be in-line with existing Council policies. The Northern Gateway Development Framework will seek to meet policy requirements, including physical, social and environmental impacts including biodiversity net gain.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
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Memorandum of Understanding is not approved, undermining the relationship that has been built up with Rochdale Council and increasing risk to the delivery of Northern Gateway.	<ul style="list-style-type: none"> • Establish Memorandum of Understanding between to formalise joint working arrangements between partners; • Continue to develop proposals to implement a Northern Gateway delivery vehicle.
The proposed MDC boundary and name are not approved, which would result in the consultation not being able to take place and further work to implement a Northern Gateway delivery vehicle not being progressed.	<ul style="list-style-type: none"> • Seek approval of proposed MDC boundary and name from Cabinet; • Undertake consultation in respect of an MDC.
That the approval to consult on the Northern Gateway MDC is not given, meaning further work could not progress on its implementation and increasing risk to the cohesive delivery of Northern Gateway.	<ul style="list-style-type: none"> • Seek approval of proposed MDC boundary and name from Cabinet.

Legal Implications:

A Mayoral Development Corporation (MDC) is a statutory body established under Part 8 of the Localism Act 2011, and if within the GMCA's area, the Greater Manchester Combined Authority (Functions and Amendment) Order 2017.

The object of an MDC is to secure the regeneration of its area. An MDC may do anything it considers appropriate to secure the regeneration of its area. MDCs may request specific powers in respect of land, planning, compulsory purchase and discretionary rate relief.

In respect of land an MDC may (or may facilitate): acquire by agreement land in its area or elsewhere, regenerate or develop land; bring about the more effective use of land; and provide buildings or other land. Land may be transferred to an MDC from a council whose land is in the area of the MDC, Homes England or a government department (under a transfer scheme made by the Secretary of State).

An MDC may be the local planning authority for the whole or part of its area for the purposes of any one or more of certain planning functions. The relevant constituent council whose area the MDC relates must consent to this and a statutory consultation process must also be followed. If an MDC becomes the local planning authority for an area in place of a constituent council, it may make arrangements for: the discharge of any of its relevant planning functions by that council (although does not prevent the MDC from also exercising those functions); or for that council to give assistance in connection with the MDC's discharge of its planning functions.

An MDC has the power to acquire land compulsorily if authorised by the Secretary of State (SoS), provided that the Mayor has consented before the submission of the CPO to the SoS. An MDC may determine the amount of discretionary rate relief from non-domestic rates (i.e. business rates). This is subject to the consent of the Mayor and a statutory consultation process.

Details of the consultation process is set out in this report, this consultation is statutory and must be complied with alongside a report to GMCA post consultation, along with a notification and publication procedure. Once the Secretary of State has been notified an order will be issued to establish the MDC as a statutory instrument.

Further advice will be provided to Members when this matter returns to Cabinet

Financial Implications:

There are no immediate financial implications arising from the report however the finance team will continue to work closely with the NG project team management to assess any implications as this progresses.

Appendices:

Appendix A – Boundary of Joint-District MoU and Proposed MDC Boundary (Part A)

Background Papers:

Places for Everyone Plan – available on request.

Cabinet Report July 2022 and associated Appendices – Available on request.

Cabinet Report Sept 2024 - Northern Gateway Governance - Investment Zone – Available on request.

Northern Gateway Delivery Mechanism Options Appraisal Report (Deloitte) - Available on request.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
MDC	Mayoral Development Corporation
MDZ	Atom Valley Mayoral Development Zone
PfE	Places for Everyone
MoU	Memorandum of Understanding