

**Manchester City Council  
Report for Resolution**

**Report to:** Economy Scrutiny Committee – 2 September 2015

**Subject:** Impact on Manchester's economy of spatial planning: the Manchester Local Plan and Greater Manchester Spatial Framework

**Report of:** Head of Policy, Partnerships and Research

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**Summary**

The purpose of this report is to update the Economy Scrutiny Committee on the review of Manchester's spatial planning policies, including the Manchester Core Strategy, and the preparation of the Greater Manchester Spatial Framework (GMSF); and, to consider the impact of these on the economy.

**Recommendations**

The Committee are invited to comment on the report.

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**Wards Affected:** All

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**Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Greater Manchester Strategy: Stronger Together, 2013
- Greater Manchester Spatial Framework – report to the Joint Greater Manchester Combined Authority / AGMA Executive Board Meeting, 28 November 2014
- Greater Manchester Spatial Framework – report to Executive, 18 March 2015; report to Council, 1 April 2015
- Local Plan Review – report to Executive, 1 July 2015

## **1.0 Introduction**

- 1.1. Development in Manchester is guided by the Local Plan, which includes policies that direct the location and form of development. It provides an important structure in which specific developments can be progressed and regeneration frameworks and masterplans can also emerge. Previously, Manchester's planning policies sat within the North West Regional Spatial Strategy, which provided a policy context for the City Region, Regional Spatial Strategies were, though, revoked by the previous government.
- 1.2. Because Greater Manchester operates as a single City Region and functional economic geography, there is a clear value in having an overarching spatial planning strategy. Therefore, work has begun to prepare the Greater Manchester Spatial Framework (GMSF). This will initially be prepared as a joint planning document by all ten Greater Manchester Authorities. However, the Greater Manchester Devolution Agreement coverage includes spatial planning, and once there is an elected Mayor (expected in May 2017) the intention is that the GMSF will become the Mayor's plan, albeit requiring the support of all ten districts' Leaders.
- 1.3. The economy has changed significantly over the period since the 2008 recession, and these changes have been particularly apparent in the delivery of development. Although the fundamental development aims of Greater Manchester remain in place, it is possible that the approach within the GMSF will be different from that of the Regional Spatial Strategy. Consequently, the context for Manchester's Local Plan may be different and there would be a need to respond to these changes locally. Therefore, Executive agreed in July 2015 to begin the process to review the Manchester Local Plan, comprising the Core Strategy and saved policies from the Manchester Unitary Development Plan.
- 1.4. The development of the GMSF and review of the Manchester Local Plan have important implications for the Manchester economy. They will set the context for the development that will underpin economic growth, including the scale and type of residential and commercial development, the approach to climate change management and environmental quality, and the way the city will accommodate growth in an effective and sustainable way, particularly in terms of supporting infrastructure.

## **2.0 Greater Manchester Spatial Framework**

- 2.1 The Greater Manchester Combined Authority (GMCA) and AGMA Executive Board have agreed that the GMSF should be developed as a joint Development Plan Document. This gives it statutory weight, and reflects legal advice received in 2014. The GMSF will provide a spatial plan for Greater Manchester up to 2035. It will set out the level of housing and commercial growth that the City Region needs and indicate broadly where this will go. It will explain the strategic role of places within Greater Manchester, such as the City Centre and town centres and will be aligned with complementary documents such as the Local Transport Plan to ensure the City Region

develops in a sustainable and coherent way. It is an important document, ensuring that the City Region functions in a coordinated way, and in particular ensuring that decisions taken at the local level are consistent with outcomes that are in the widest interests of Greater Manchester as a whole.

- 2.2 The broad principles within the GMSF will provide the foundations for the development of local development strategies, and the GMSF will set the tone for Local Plans. Therefore, it will be important that Local Plans are consistent with the GMSF. There are key aims that remain priorities, such as regeneration of the conurbation core and the development of a sustainable transport network with the Regional Centre at its core, but there may also be new policy approaches. Local Plans may need to be revised to take account of these.
- 2.3 Greater Manchester has ambitious plans for economic growth, captured in the Greater Manchester Strategy and the support the GMCA has given to the Northern Powerhouse concept. The GMSF is an essential complement to these ambitions for economic growth. First, it will translate the scale of growth proposed into actual development requirements. This will ensure that we are planning for the right level of growth, but also mean that our plan for that development will be deliverable. Without this, the ambitions for economic growth would remain unachievable.
- 2.4 Second, and equally important, the GMSF will provide a policy basis to deliver sustainable development, balancing economic growth against social and environmental quality so that Greater Manchester can grow into an even more attractive place to live, work and visit.
- 2.5 There are clear benefits specific to Manchester from a coordinated approach to development across Greater Manchester. The city is at the heart of the conurbation, and will remain the focus for economic activity and investment. It also provides key opportunities for residential growth and regeneration, and there are challenges related to delivery mechanisms and place making that will need to be addressed through the GMSF, although also through the Manchester Local Plan.

### **3.0 GMSF process and timetable**

- 3.1 The signing of the Greater Manchester Agreement on 3 November 2014 and the move to a directly elected Mayor for Greater Manchester has implications for both the preparation and content of the GMSF. The GM Mayor will have powers over strategic planning, including the power to create a statutory spatial framework for GM. This will act as “the framework for managing planning across Greater Manchester and will need to be approved by unanimous vote of the Mayor’s cabinet.” Legislation is required to enable these changes and it is anticipated that the first city region Mayoral election will take place in early 2017.
- 3.2 Until this time, it is proposed to progress the GMSF through the AGMA Executive Board, subject to governance arrangements being made at district

level. These arrangements are currently being put in place. This approach will avoid delays whilst the Mayoral legislation is processed, and enable progress with the GMSF preparation to proceed, whilst retaining Council approval at all key stages. The GMSF is currently being prepared by a team of officers from the AGMA Planning and Housing Team and districts' planning teams, with support from TfGM on transport matters.

- 3.3 In the Autumn of 2014, an initial consultation took place on the technical evidence to inform the scale and spatial distribution of development over the plan period, focusing on housing and employment land; the assumptions and methodology as well as the reference documents used were considered and the consultation generated a response from a range of stakeholders, including developers and government agencies.
- 3.2 As a statutory planning document, the GMSF is legally required to be subject to a number of different assessments, to consider the potential social, economic and environmental impacts – both positive and negative - it is likely to have. Following discussions with Government, it was considered that an Integrated Assessment (IA), comprising a Sustainability Appraisal (SA), Strategic Environmental Assessment (SEA), Equalities Impact Assessment (EqIA) and Health Impact Assessment (HIA) would be the most effective means of appraising the GMSF. Consultation of the scope of the IA is currently underway. A separate Habitat Regulations Assessment (HRA) is also being undertaken.
- 3.4 The evidence, consultation responses received to date and the IA objectives will help inform the first stage of the GMSF preparation, the development of spatial options for sustainable growth.
- 3.5 The timetable of the GMSF is likely to be refined over the course of its preparation. However, the current outline timetable is:
- Autumn/winter 2015 – consultation on vision and options
  - 2016 – development of draft document
  - Spring 2017 – Publication of the GMSF
  - Autumn 2017 – Submission to the Secretary of State for public examination
  - Autumn 2018 - Adoption

#### **4.0 Manchester Local Plan Review**

- 4.1 The Manchester Core Strategy, the main document of the Manchester Local Plan, was adopted in July 2012. This sets a clear framework for development in the city up to 2027, including targets for housing development, the key locations for economic and residential growth, and policies to manage development and environmental quality. However, its preparation was strongly influenced by the Regional Spatial Strategy (a legal requirement at the time), reflecting pre-recession economic conditions and delivery mechanisms.

- 4.2 Although the aims for Manchester have not changed, there have been changes in the strategic context (with the emergence of the GMSF) and the nature of the delivery landscape. Furthermore, changes in national planning policy have meant that districts must be able to demonstrate that housing targets are deliverable. It is therefore appropriate to review the Local Plan to consider whether its policies are the most suitable to current circumstances, and Executive agreed to do this in July.
- 4.3 The review of the Local Plan will enable to Council to consider a number of issues. The GMSF will define the role of the city within the wider City Region, and the Local Plan will have to take account of this context. The review will also allow reassessment of local policies relating to the supply of land and development requirements, to ensure that we have the balance that best meets our aims for development quality and quantity. Alongside a framework for development, the Local Plan will also be able to consider wider delivery challenges, relating to both development itself, as public support is reduced, and to associated infrastructure, in particular key social facilities such as schools.
- 4.4 It is anticipated that the progress of the Manchester Local Plan review will be influenced by progress with the GMSF, and therefore the proposed timetable is also likely to be revised through the production process. However, a realistic outline timetable could be:
- Autumn 2016 – consultation on vision and options
  - Autumn/winter 2017 – Publication of the Local Plan
  - Spring 2018 – Submission to the Secretary of State for public examination
  - Spring 2019 - Adoption

## **5.0 Implications for Manchester's economy**

- 5.1 There are benefits to having a clear and up-to-date Local Plan for the city. It will provide certainty to potential investors, giving them confidence to commit to Manchester. It also clarifies the Council's approach to development, simplifying negotiations between the Council and prospective developers. Although relatively recent, the current Core Strategy has already underpinned significant economic growth proposals, most notably linked to the growth of Manchester Airport and the increasing levels of development activity in the City Centre.
- 5.2 There are significant implications for Manchester from the proposed changes to City Region and local planning policy. Manchester is at the heart of the Greater Manchester economy, containing the two largest economic drivers, the Regional Centre (including parts in Salford and Trafford) and the Airport - both of which are very accessible locations. The City's population has grown significantly in recent years, which has supported economic growth by providing a larger labour pool for businesses to draw upon, but has also required additional school places to be provided. The city has made great progress with educational attainment amongst its residents over the last

decade, closing the gap with the national average and enabling more of the jobs created to be accessible to people who have grown up in the city. Significant investment in the transport infrastructure of the city region continues to be made, particularly in public transport, with the expansion of Metrolink, increased rail capacity and additional cross-city bus routes being developed. This investment is complemented by parallel investment in improved pedestrian and cycle routes and facilities.

- 5.3 The GMSF will cover a fifteen – twenty year period and whilst nothing is certain, a range of forecasts and models, such as the Greater Manchester Forecasting Model, indicate further population increases for the City, particularly for people of a working age. Initiatives such as the proposed High Speed Rail link to London and the development of improved east west transport links as part of a well connected Northern Powerhouse will extend over a similar period to the GMSF and will also influence the scale and pattern of future growth. All this evidence indicates that more homes and more employment space will be needed, and in all probability, more school places, and other social infrastructure; there will inevitably also be further demands on the city's transport infrastructure.
- 5.4 In order for the benefits of this forecast growth to be maximised for Manchester and its residents, it will be important to deliver a good supply of appropriate types of employment space, in the right locations, sufficient types and sizes of homes in the right areas, alongside the supporting infrastructure – nurseries, school places, college and university places and apprenticeships. Utility and Transport infrastructure must also continue to service the growing city, whilst the natural environment, which helps make it an attractive place to live and helps tackle environmental problems such as air quality, flood risk should be protected and enhanced.
- 5.5 There are some important challenges that face Manchester (and Greater Manchester) in the development of sustainable plans for growth. An important question is how best to support the provision of the new infrastructure that will be required to support the proposed growth in housing, population, and employment. To support these requirements it will be necessary to explore new sources of income, alongside continued efforts to maximise the effectiveness of public resources and strengthen the support from private investment. Therefore, Executive has also agreed to work considering the merits of a Community Infrastructure Levy (CIL) for Manchester. This work is at an early stage and currently no final decisions have been made. Were such a levy to be introduced, a key consideration would be how to generate sufficient income without making development unviable.
- 5.6 Manchester faces a particular challenge to balance its role as the commercial core of the City Region and its growing role as a place where increasing numbers of people are choosing to live. The Local Plan will need to ensure that alongside the growth of resident and visitor development, an adequate supply of employment land is retained to meet the city's economic potential. There is potential for the City Centre to accommodate significantly more

employment as the economy grows and its role broadens. It will be essential that this is accompanied by investment in the public realm that ensures it remains an attractive place to live, work or visit. Led by the Manchester Life initiative, the east of the city centre will become an increasingly attractive residential proposition. This opens a valuable supply of new housing for the City, but we will have to make plans for the employment space that could be displaced to ensure that jobs remain accessible to local people. Furthermore, our growing population will place additional demands on land, with a particular need to identify additional space for the schools we need to meet the demands of the increase in children of school age. The Local Plan will need to carefully strike a balance between ensuring that land is available to support a growing economy, while also ensuring that the city remains sustainable and liveable at the neighbourhood level.

## **6.0 Next Steps**

- 6.1 The Manchester local plan review and preparation of the GMSF are continuing.
- 6.2 For the GMSF, the next stage is a consultation on the proposed vision and spatial options, which is scheduled to take place towards the end of this year. At this stage AGMA will provide an indication of potential growth scenarios and possible spatial development responses to these. These will need to be agreed by the Executive before the consultation begins. This is a public consultation and is likely to elicit a substantial response from a wide range of stakeholders. Following this stage, a draft plan will be prepared that will be published in 2017. It is anticipated that this would happen after the elected Greater Manchester Mayor is in place
- 6.3 The Local Plan review will not be produced until the GMSF is in place, as there are risks of developing a local policy approach if there is uncertainty around the GM approach. The current work relates to the preparation of the evidence base. During this time, it is proposed to undertake work on specific local policy priorities, including, for example, a Supplementary Planning Document covering hot-food takeaways.