Manchester City Council Report for Resolution

Report to:	Executive – 11 September 2013
Subject:	Mayfield Strategic Regeneration Framework (SRF)
Report of:	The Chief Executive

Summary

The report outlines an updated Strategic Regeneration Framework (SRF) for Mayfield. The SRF builds on the extensive work undertaken in 2010 taking into consideration the opportunities presented by Northern Hub and High Speed 2 (HS2) at Piccadilly Station. The SRF will provide the context within which the full economic, social and environmental potential of the Mayfield area can be brought forward, through the creation of a distinctive new urban quarter that defines a key gateway into Manchester.

Recommendations

The Executive is recommended to:

- i) Note the key principles of the SRF and the proposed delivery structures.
- ii) Request the Chief Executive undertake a public consultation exercise on the SRF with local residents, businesses and other stakeholders, and to report back to the Executive in December 2013
- Delegate responsibility to the Chief Executive, City Solicitor and City Treasurer in consultation with the Leader and Executive Member for Finance to finalise the Heads of Terms in accordance with the key principles outlined in the report.

Wards Affected: City Centre

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The scale and potential of development within this area will provide a major focus for new investment and the growth of jobs. With 680,000 sq ft of office space and a prominent location next to a major transport hub Mayfield is an attractive location for business.

Reaching full potential in education and employment	The site has the potential to accommodate as many as 4,800 – 7,800 new office based jobs. The SRF will seek to maximise local employment from this initiative.
Individual and collective self esteem – mutual respect	The SRF will seek to maximise local employment from this initiative.
Neighbourhoods of Choice	The proposed residential scheme as part of the development and the public amenities including public realm, retail and leisure opportunities will create a desirable location in which to live.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

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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.

Mayfield SRF pre-consultation draft

16th December 2009: Report to Executive. Mayfield SRF

10th March 2010: Report to Executive. Mayfield SRF

Mayfield SRF 2010 - Final Report

High Speed 2 report and SRF, included elsewhere on this agenda

1.0 Introduction

1.1 Mayfield occupies a 20 acre site adjacent to Piccadilly Station, and sits within the Eastern Gateway area of the city centre. The area is bounded by the Inner Relief Road (Mancunian Way) to the south, Fairfield Street to the north and London Road to the west. The area lies in close proximity to the Higher Education Precinct, the Corridor Manchester, London Road, Ardwick and New East Manchester, including the New Islington and Ashton Canal Corridor initiatives; it has exceptional accessibility to all forms of public transport, and is therefore a highly sustainable location for new development and growth.

1.2 The updated SRF, building upon the extensive work done in 2010, presents Mayfield as a distinctive new urban quarter that defines a key gateway into Manchester and extends the high quality environment of the city centre. With a major new park at its heart and a vibrant mix of uses, it will provide a destination of choice and a unique sense of place. Enhancing connectivity beyond the confines of the site would act as a catalyst to maximise wider regeneration benefits and provide amenities and facilities for adjacent communities.

1.3 The SRF has been drawn up in the context of the wider regeneration of the Piccadilly area brought about by the opportunities presented by HS2 and the Northern Hub rail schemes. This report should be read alongside the High Speed 2 (HS2) Consultation and Piccadilly Strategic Regeneration Framework (SRF) report elsewhere on the agenda.

2.0 Background

2.1 The Mayfield SRF was formally adopted by the Executive in 2010 following extensive evaluation, design studies and public consultation. At that time, the site was proposed as the preferred location for a new campus bringing together civil servants from across the region, and also seeking to attract departmental relocations and jobs from London as part of the Government's Operational Efficiency Programme. The campus would have had the potential to house some 5,000 civil servants by the middle of the decade, in a group of three buildings.

2.2 Since the SRF was approved in 2010 a series of key issues have arisen driving the need for the original vision to be refreshed and updated including:

- A reduction in the scope for a significant relocation of Government Departments outside of London and the South East.
- Continued changes in the property market and the preferences of occupiers for flexible accommodation options.
- The confirmation of the Northern Hub initiative and the announcement by Government of the HS2 proposals. Both schemes involve major new interventions in the area and should impact significantly on the scale and potential of the development including the opportunity for relocations from elsewhere in the Piccadilly area.

2.3 London and Continental Railways (LCR) have been designated as the successor body to British Rail landholdings (BRBR) which currently owns a significant proportion of the former railway land affected by Mayfield and the

surrounding area. Officers have worked with LCR, BRBR and TfGM to bring forward an updated SRF for Mayfield.

3.0 Mayfield SRF – Key Principles

3.1 Mayfield will deliver significant economic and regeneration benefits, which will in turn drive wider economic growth. The location and scale of the development provide an opportunity to attract major new employers into the area. The masterplan seeks to achieve the following:

- Up to 7,800 new office based jobs plus further job creation in retail and leisure.
- 1,330 new homes
- 350 hotel bedrooms
- High quality public realm including a new 6 acre city park
- Accelerating transformational change of the Eastern Gateway area of the city
- Spin-off regeneration benefits for surrounding communities such as Ardwick and New East Manchester.

3.2 The SRF area is a logical extension of, and a natural progression for the growth of Piccadilly, and the city centre. Improvement of the areas connectivity and linkages is critical to the success and integration of the initiative. Existing links to the city centre, Piccadilly, Medlock Valley and Oxford Road Corridor should be enhanced as well as forging new links to New East Manchester and south across the Mancunian Way and into Ardwick. Pedestrian and cycle access is at the heart of the proposal alongside the need to enhance transport connectivity. The exceptional rail, tram, bus and car connections centred around Piccadilly and the new HS2 station will provide links to the city centre, Manchester Airport, the wider region, Central London, and the rest of the country.

3.3 The size and location of the site presents a major opportunity to create a scale and grain of development that is not possible in other areas of the city centre. The location of the site next to a major transport interchange, the scale of the public realm proposed by the park, and the importance of creating a vibrant urban destination all suggest that Mayfield can take larger building forms and potentially greater height in order to signpost both the scheme itself, and also the city centre gateway to national and airport-linked rail.

3.4 The SRF will deliver a strong sense of place and a distinctive new destination for Manchester which ensures vitality at all times and is welcoming and safe. It seeks to place Mayfield firmly on the map and create a diverse yet balanced mix of uses, including:

- A northern development zone which has a focus on providing well connected Grade A commercial floor space up to 680,000 sq ft. Immediately adjacent to the region's largest transport hub, businesses will benefit from the possibility of stepping off a two hour train from central London, 50 minutes from Leeds and 45 minutes from Liverpool, directly to their front door. The 20 minute journey to Manchester International Airport will help businesses capitalise on their international connections. Mayfield will be among the city's most desirable commercial addresses.
- A southern development zone with a focus on housing and with the potential to deliver over 1.300 new homes in a mix of 2 and 3 bedroom townhouses, 1

and 2 bedroom apartments and penthouses in line with the objectives in the Core Strategy.

- A 6 acre public park focused around the remediated River Medlock providing a substantial publicly accessibly amenity. The park would provide opportunities for recreation and enjoyment by all and would be connected in to the city centre by open and attractive routes. The boundary of the park would be opened out to ensure that it connects directly with surrounding areas, and is understood as a facility for the whole city and not just for Mayfield.
- Utilising the existing viaduct arches beneath Piccadilly offers the opportunity to provide space for a dynamic mix of activities including specialist markets, performance venues, art installations, retail opportunities and leisure facilities. It would also open up connections through a structure which has acted as a barrier for 150 years.

3.5 The scheme is market led and would achieve the comprehensive development of the wider site at a pace which is consistent with market positioning and occupier requirements. It will be sufficiently flexibility to respond to changes in policy and market conditions.

3.6 The Mayfield scheme forms part of the overall development proposals for the Piccadilly area, a site of 140 acres in total. The potential upgrades to Piccadilly Station, the opportunities presented by the Northern Hub development strategy and HS2 would together create major physical and economic regeneration benefits for the city as a whole and the Piccadilly area in particular. The proposals for both sites are integrated and connections between the two sites will be significantly enhanced. Mayfield can, to some extent, be viewed as a stand alone area in that it is less dependent on the developments at the station itself and is therefore considered able to provide a strong platform to support the initial phases of development in the wider area.

4.0 Delivery Structures

4.1 Officers have been working with TfGM, BRBR and LCR who are the key parties in taking forward the Mayfield development. BRBR has the freehold ownership of the Mayfield Depot, a 6 acre site fronting Fairfield Street and Piccadilly Station, and this is planned to transfer to LCR at the end of September. The Council land ownership in Mayfield includes 2.13 acres (excluding the ownership of part of the Mancunian Way). TfGM's landholdings includes 1.02 acres within the area.

4.2 Heads of Terms are now in an advanced stage of preparation in order to regulate the relationships of the partners, protect new financial investors and provide a brief for procuring a development partner.

4.3 Land assembly will be the responsibility of LCR and arrangements have been agreed for land pooling and profit sharing which reflects the value of the land of each of the partners. All of the parties have agreed to adhere to the SRF (once agreed) and it has also been acknowledged that whilst the Mayfield site is likely to become the initial phase of commercial development for the wider area, it will be important to ensure that delivery structures – and the appointment of a delivery partner – are informed by the emerging structures for delivery of the wider Piccadilly area so that

arrangements are consistent. Officers will ensure that LCR and TfGM are closely involved in the analysis of options for the wider Piccadilly structures which will be reported to the Executive in December.

4.4 In respect of the Council and TfGM, there will be no significant financial liabilities incurred as a result of the arrangements for Mayfield. To the extent that either TfGM or the Council incur expenditure on masterplanning, this will be recoverable on development taking place.

4.5 Officers will report on progress when they report back in December on the outcome of the consultation and the proposed draft Mayfield SRF and on the wider Piccadilly strategy.

5.0 Recommendations / Key Decisions

5.1 Recommendations appear at the front of the report.