

**Manchester City Council
Report for Resolution**

Report to: Executive - 2 December 2015
Subject: Central Retail Park: A Draft Development Framework
Report of: The Chief Executive

Summary

This report presents a draft Development Framework for the Central Retail Park on Great Ancoats Street that seeks to guide the future redevelopment of that site.

Recommendations

The Executive is recommended to:

- endorse the draft Central Retail Park Development Framework as a basis for consultation with local stakeholders and neighbouring landowners; and
- note that the outcomes of consultation and a final version of the Central Retail Park Development Framework will be reported to a future meeting of the Executive.

Wards Affected:

Ancoats & Clayton

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The proposals for the Central Retail Park offer the potential for helping to strengthen the perception and amenity value of that section of Great Ancoats which the site faces onto. In doing so this will help strengthen the investor perception of this part of the city for both commercial and residential investment. Securing the proposed development outcomes will also sustain and secure new employment opportunities within the retained retail uses. The new residential development opportunities will support the need for new homes from those existing and new residents working in the city region economy.

Reaching full potential in education and employment	The proposals have the potential to directly deliver new construction jobs on the site as well as new employment opportunities in the retained retail facilities.
Individual and collective self esteem – mutual respect	Not Applicable
Neighbourhoods of Choice	The development of new homes on the Central Retail Park site will help deliver the Manchester Residential Growth prospectus, helping contribute to, and meet the demand for, new homes in the city. The investment in new public realm will help transform the Great Ancoats Street into a welcoming place for new and existing residents to live.

Environmental and Climate Change Impacts

This Framework supports development that will be designed with full regard to the principles of sustainability, including accessibility for all, energy efficiency and the contribution that the public realm can make to the ‘greening’ of the City

Specifically extensive new high quality public realm and open space is being promoted within the draft Framework which would significantly improve the environment of this part of the city centre. The area benefits from strong public transport links, being in close proximity to both Victoria Station, Piccadilly Station, the New Islington Metrolink stop and the Shudehill Interchange, negating the need for reliance on car usage. The draft Framework is providing new residential accommodation adjacent to employment and leisure and in doing so promoting new pedestrian linkages to surrounding neighbourhoods and city centre districts.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences

There are no financial implications for the City Council arising from this report.

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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.

Ancoats and New Islington Neighbourhood Development Framework, Executive, 29th October 2014

1.0 Introduction

- 1.1 This report presents a draft Development Framework for the Central Retail Park site on Great Ancoats Street on the eastern side of the City Centre. It outlines a set of proposals for the future development of this site, which subject to the comments of the Executive, will then be subject to consultation in December and January. The outcomes of this consultation will be reported to a future meeting of the Executive along with a final version of the Framework for which approval will be sought.

2.0 The Great Ancoats Street Corridor: the development context for the Central Retail Park site

- 2.1 The October 2014 meeting of the Executive approved the Ancoats and New Islington Neighbourhood Development Framework which set out in great detail the wider development context and proposals to promote the growth for this part of the city centre. In respect of the Great Ancoats Street Corridor and the immediate environs surrounding Central Retail Park the Neighbourhood Development Framework identified a number of key actions and priorities, namely:

- To encourage the redevelopment of vacant and under-utilised sites with new residential, commercial and service uses that can contribute to the vitality of Great Ancoats Street;
- To encourage development that is massed to provide adequate spatial definition along Great Ancoats Street;
- To secure environmental improvements to Great Ancoats Street, including the potential for tree planting, and improved connectivity between New Islington and the Northern Quarter; and
- To encourage new development or the redevelopment of the Central Retail Park that can line the street and improve

- 2.2 Over the last 15 months the market has responded to the confidence offered by the Ancoats and New Islington Neighbourhood Development Framework with Mulberry Homes, Urban Splash, Muse Developments, the Scarborough Group International, McCall Developments and Manchester Life all bringing forward new residential development in and around the Ancoats and New Islington neighbourhoods.

- 2.3 Transport for Greater Manchester and the City Centre Transport Strategy are now progressing investment into the Great Ancoats Street Corridor to deliver a package of measures to reduce the separation of the residential areas in Ancoats and New Islington from the Piccadilly Basin and Northern Quarter areas of the city centre. These highway and environmental improvements are scheduled to commence in 2016.

3.0 Central Retail Park: the Recent History

- 3.1 Central Retail Park is strategically located on Great Ancoats Street on the eastern side of the City Centre and has been an established retail destination in the city since the late 1980s. It has, however, seen a notable decline in recent years, in terms of both retailer representation and the physical condition of the facility. This decline has been made all the more notable by the ongoing regeneration in the immediate environs, bringing significant investment, activity and environmental improvement to the surrounding neighbourhoods. The transformational change is continuing but the Central Retail Park site has been left behind and is failing to support and derive benefit from this changing context.
- 3.2 The Central Retail Park site has much more to offer and TH Real Estate has been in active dialogue with Manchester City Council for several years to appraise the potential of the site for both retail and mixed use redevelopment. This work resulted in the grant of a planning permission for retail-led redevelopment in 2013, which would have seen an overhaul of the site and introduced to the development a new anchor foodstore and cinema along with associated restaurants and bars/cafes.
- 3.3 While the foodstore was in accordance with the Council's established priorities for new large food store provision within the city (Central Retail Park was one of two sites where an analysis indicated such provision could be encouraged that would support regeneration activity), a process which was informed by the market patterns of the operators themselves, the fundamental changes in the food store market over the last three years have rendered this analysis to be undeliverable. The changing behaviours of consumers: a shift to convenience store shopping; doorstep delivery offering convenience and choice; and the steady decline of the weekly shop have changed food retailers' investment into new large floorplate foodstores. This aligned with competition that the big four (Tesco, Sainsbury's, Asda and Morrisons) food retailers now have has transformed the real estate landscape for new foodstores, with any investment increasingly skewed towards smaller floorplate stores.
- 3.4 Having secured a planning permission in 2013 the subsequent dramatic shifts in the UK food retail market saw TH Real Estate being unable to secure a food store anchor for this location for a 50,000 sq foot store thus making the permission undeliverable. These changing market forces, and the absence of any major foodstore operator prepared to enter into any agreement on terms that would have delivered the wider development, therefore undermined the opportunity to deliver the cinema and associated restaurants and bars/cafes in this location. At this point in time the loss of both the foodstore and the cinema has enabled other large format foodstores on the eastern side of the city to continue to operate successfully and allowed smaller, new cinema complexes such as at HOME to establish themselves in the market.
- 3.5 As a result of these shifts in the market the Central Retail Park site has continued not to function at an optimum level and the significant regeneration potential affecting a wider area has not been realised. The changing retail context and the upturn in the market for residential development has led to the

City Council to encourage TH Real Estate to rethink their development strategy for the site and to promote a more fundamental review of the Central Retail Park which would work with the grain of the market and address the investment parameters set by the UK Retail Warehouse Fund within which the Central Retail Park asset is held. The resulting outcomes of analysis are set out in the proposals presented in the draft Development Framework appended to this report.

4.0 Central Retail Park: A Draft Development Framework

- 4.1 Annex 1 of this report sets out the Draft Development Framework that has been developed for the Central Retail Park site. It has been prepared in response to both the strategic requirements of TH Real Estate and to the market dynamics currently in play within the city, but it also responds to existing frameworks and strategies that have been supported and approved by the City Council, notably the Greater Manchester Strategy and the Manchester Residential Growth Strategy.
- 4.2 The site continues to represent an important retail destination within the city's network of centres and retail parks and TH Real Estate remains committed to bringing the Retail Park up to modern standards and ensuring it is reflective of its prominent location. However the changing context within which the site lies provides a driver to consolidate this use and introduce other uses. The site is ideally placed and located to deliver a high quality residential development as part of an overall mix of uses and in doing so, provide greater opportunity for enhanced integration with its surroundings.
- 4.3 The following components of a commercially viable strategy are proposed within the Framework:
- A consolidated retail park in the north-western part of the site, comprising refurbished, retained units which are radically improved in appearance and market appeal, a new retail unit, and within this consolidated facility the opportunity to bring forward a smaller food retail store. Reconfigured car parking and servicing arrangements are also proposed;
 - Creation of a new high density residential apartment development on the balance of the site with complementary ground floor uses to activate frontages that can help create a sense of place and neighbourhood thereby supporting investment in the wider area;
 - Creation of a high quality dedicated pedestrian route through the site to improve connectivity between Great Ancoats Street and the Ancoats and New Islington Neighbourhoods;
 - Enhanced public realm and landscaping throughout, creating attractive public and private routes and spaces.

The repositioning of the Central Retail Park site, as set out above, aligned with the existing retail and leisure offering at Urban Exchange immediately opposite the site, the proposals to bring forward significant numbers of new homes in and around the Piccadilly Basin, along with the highways related proposals being developed by TfGM and the City Council to enhance Great Ancoats Street, offer a real opportunity for this key segment of Great Ancoats Street to become a neighbourhood focal point, helping to stimulate and support new residential and other commercial development on the eastern side of the city centre.

- 4.4 The draft Framework is intended to guide the future development of the site in a manner that reflects its physical and locational characteristics into a range of positive economic, social and environmental benefits for the city. To secure the outcomes outlined above the Framework seeks to promote the development of a new location on Great Ancoats Street with an emphasis on the creation of a high quality environment that promotes connectivity and permeability into the surrounding neighbourhoods. This is central to the ambition to bring together the proposed retail and residential development on this site.
- 4.5 The draft Development Framework has been prepared to re-position Central Retail Park in a manner that will allow it to capture the new opportunities created by a changing context and provide the certainty necessary to underpin significant investment. It seeks to establish guiding principles for this new direction, to demonstrate how it can be realised, and to identify how the significant benefits associated with the proposals can be secured.
- 4.6 The draft Framework examines the key issues, opportunities and challenges presented by the Central Retail Park site and provides a clear articulation of how the redevelopment of the site should be approached. It applies a considered approach which seeks to take advantage of the regeneration and market context, the locational advantages of the site and the characteristics of the surrounding area. This includes the core principles of increasing permeability, enhancing the interface with Great Ancoats Street and strengthening east-west connectivity into New Islington. The document provides a set of guiding principles for the built form of the development and outlines a delivery strategy for realising the vision for the site.
- 4.7 Finally, the Framework sets out broad masterplanning and development principles to ensure the future scheme is delivered within parameters which have been agreed in principle through consultation with the City Council, local community and other key stakeholders.
- 4.8 It is intended that this draft Framework, subject to the comments of the Executive, will then undergo a period of public consultation in December and January 2016. It is anticipated that the final draft of this Development Framework will be submitted to the Executive in early 2016.

5.0 Delivering the Redevelopment of the Central Retail Park site

- 5.1 Following consultation on this draft, and subject to the agreement of the Executive to the final version of the Development Framework, TH Real Estate have already recognised the need for a phased approach to the development of the site to ensure that the full potential of the site is realised efficiently whilst having regard to commercial and market requirements. A fundamental principle of the draft Development Framework is to ensure that the existing retail units on the north west of the site can continue to function during any refurbishment works, as this will underpin the attractiveness and deliverability of the balance of the site to the south-east to potential residential developers.
- 5.2 In order to underpin the residential component of this Framework the Council will be obliged to review the existing lease which TH Real Estate hold with the City Council for this site. This will be reviewed in a manner that will enable the comprehensive redevelopment of this site to be achieved. With regard to the residential component being now promoted within the Framework TH Real Estate have agreed that the marketing of this opportunity will be undertaken jointly with Manchester Place.

6.0 Concluding Remarks

- 6.1 TH Real Estate recognises the importance of securing the views of the local residential and business community and other stakeholders. If endorsed by the Executive these views will be sought on this draft document during the Autumn period. When this consultation is complete the draft Development Framework will be reviewed in light of the feedback received and a final version of the Framework will be submitted to the Executive in early 2016 for consideration.
- 6.2 Detailed recommendations appear at the front of this Report.

7.0 Contributing to the Community Strategy

(a) Performance of the economy of the region and sub region

- 7.1 The proposals for the Central Retail Park offer the potential for helping to strengthen the perception and amenity value of that section of Great Ancoats which the site faces onto. In doing so this will help strengthen the investor perception of this part of the city for both commercial and residential investment.
- 7.2 Securing the proposed development outcomes will also sustain and secure new employment opportunities within the retained retail uses.
- 7.3 The new residential development opportunities will support the need for new homes from those existing and new residents working in the city region economy.

(b) Reaching full potential in education and employment

- 7.4 The proposals have the potential to directly deliver new construction jobs on the site as well as new employment opportunities in the retained retail facilities.

(c) Individual and collective self esteem – mutual respect

- 7.5 Not Applicable

(d) Neighbourhoods of Choice

- 7.6 The development of new homes on the Central Retail Park site will help deliver the Manchester Residential Growth prospectus, helping contribute to, and meet the demand for, new homes in the city. The investment in new public realm will help transform the Great Ancoats Street into a welcoming place for new and existing residents to live.

8.0 Key Polices and Considerations

(a) Equal Opportunities

- 8.1 The Development Framework will be the subject of local consultation, giving all stakeholders opportunities to engage in the process.

(b) Risk Management

- 8.2 Not applicable

(c) Legal Considerations

- 8.3 The City Council will receive a final version of the Framework later in the year which will include the results of a public consultation. The framework will become a material consideration for the Council as Local Planning Authority. The framework will have more weight after the consultation has concluded and the final document has been adopted by the Council.