

**Manchester City Council
Report for Resolution**

Report to: Executive – 17 January 2024

Subject: Former Central Retail Park Update and Land Disposal (Part A)

Report of: Strategic Director – Growth & Development

Summary

This report provides the Executive with an update on progress for the redevelopment of the Former Central Retail Park site. The report informs Members of proposals to dispose of approximately half of the site for redevelopment by the Government Property Agency (GPA). The report on Part B of the agenda outlines the confidential commercial terms of this transaction.

Recommendations

The Executive is recommended to:

- (1) Note the progress made on bringing forward Phase 1 of the Former Central Retail Park development.
 - (2) Note the terms of the arrangements for the disposal of the Phase 1 site to the Government Property Agency for the redevelopment of this part of the site.
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Wards Affected: Piccadilly, Ancoats and Beswick

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The updated and approved Former Central Retail Park Strategic Regeneration Framework (SRF) has responded to the Council's aim of achieving zero-carbon targets through plans for the creation of a highly sustainable office campus, together with green space and leisure uses, complementing surrounding developments. The revised SRF has improved connectivity, increased green space (including a new public park at the centre of the site) and biodiversity, and will aim to achieve the highest standards of sustainable design. The revised SRF also aligns with the city's active travel aspirations, to provide attractive and safe walking and cycling routes for visitors and residents.</p>
<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector</p>	<p>The Former Central Retail Park will provide a range of job, skills and leisure opportunities available to all local residents from across the city. Enhanced connections will be provided to surrounding communities, to enable them to take advantage of</p>

<p>Equality Duty and broader equality commitments</p>	<p>the opportunities offered on the site and in the wider area beyond.</p> <p>Consistent with the principles adopted in the latest SRF, the proposals will provide significant new public realm, accessible to all, providing wellbeing opportunities to all residents, workers and visitors. In addition, there is a commitment to ensure that design standards throughout the development will comply with the highest standards of accessibility.</p>
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<p>Manchester Strategy outcomes</p>	<p>Summary of how this report aligns to the OMS/Contribution to the Strategy</p>
<p>A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities</p>	<p>The proposals contained within the revised Former Central Retail Park SRF will bring forward commercially-led development that will contribute to the creation of jobs within the area, diversifying the economy and activating large key sites connecting to the wider city centre.</p> <p>The proposals will be a catalyst for regional investment through supporting infrastructure, innovation, and people, providing a significant boost to the future economic growth for the local area and the region.</p>
<p>A highly skilled city: world class and home-grown talent sustaining the city's economic success</p>	<p>The proposals contained within the revised Former Central Retail Park SRF will provide additional commercial space to meet demand from existing and newly established businesses, thus creating and sustaining employment opportunities within this area of the city centre. The proposals will deliver a range of new high quality employment opportunities through the design, construction, and occupation of the scheme, for local residents including through apprenticeships and training opportunities. The GPA Campus will have a focus on jobs in the fast growing digital sector, linking to related courses taught in schools and higher education establishments across Manchester, helping to make them accessible to local people.</p>
<p>A progressive and equitable city: making a positive contribution by unlocking the potential of our communities</p>	<p>The proposals contained within the revised Former Central Retail Park SRF could create a business hub that is a vibrant and attractive destination for all business sizes, thereby helping to also meet existing office demand from local businesses and allowing them to grow. The scheme will attract substantial financial investment which will deliver</p>

	positive socio-economic changes for Ancoats and New Islington and Manchester as a whole, providing opportunities for people and local businesses. With several thousand workers based in the new offices, the development will support local businesses through increased expenditure in the local economy.
A liveable and low carbon city: a destination of choice to live, visit, work	The revised SRF responds to the Council's commitment to deliver zero carbon growth and sets out the intention of creating a sustainable neighbourhood with strong connections to public transport infrastructure. Enhanced active travel routes, increased green space and biodiversity, and improved public realm will be part of these measures.
A connected city: world class infrastructure and connectivity to drive growth	The revised SRF proposes to deliver extensive new public realm, with new attractive and safe walking and cycling routes, connecting to the surrounding area.

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

Equal Opportunities Policy
Risk Management
Legal Considerations

Financial Consequences – Revenue

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

Financial Consequences – Capital

The disposal will result in a significant capital receipt payable to the Council upon completion of the sale.

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Background documents:

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 officers above.

- Ancoats and New Islington Neighbourhood Development Framework, report to Executive 29 October 2014;
- Refresh of the Ancoats and New Islington Neighbourhood Development Framework, report to Executive 14 December 2016;
- Central Retail Park, Executive, 13th September 2017;
- Eastlands Regeneration Framework, Executive, 24th July 2019
- Draft Central Retail Park Development Framework – February 2020
- Refresh of the Ancoats and New Islington Neighbourhood Development Framework – Poland Street Zone, report to Executive 3 July 2020
- Refresh of the Ancoats and New Islington Neighbourhood Development Framework, report to Executive 12 February 2020
- Former Central Retail Park – Updated SRF, report to Executive 14 December 2022
- Former Central Retail Park – Updated Strategic Regeneration Framework, report to Executive 22 March 2023
- Former Central Retail Park Strategic Regeneration Framework, March 2023

1.0 Introduction

- 1.1 On 22 March 2023, the Executive approved a revised Strategic Regeneration Framework (SRF) for the former Central Retail Park (FCRP) on Great Ancoats Street, following a public consultation exercise. This report provides Members with an update on progress made following the approval of the SRF and sets out high level details of the proposed arrangements for the disposal of half of the site, for the delivery of the first phase of redevelopment.

2.0 Background

- 2.1 The FCRP is a 10.5-acre site located to the north-east of the city centre, bounded by Great Ancoats Street, Old Mill Street, Hugh Oldham Way, and the Rochdale Canal. The redevelopment of the site is a long-standing strategic priority for the city, having been acquired by the Council in 2017, following a report to the Executive, with the intention of bringing forward a highly sustainable, commercially-led district, to meet the growing space requirements for new and existing businesses. As set out in the report in 2017, the Council is committed to securing a return on its investment both financially, and, in the longer term in accordance with the Council's wider economic and regeneration objectives for this area. In achieving this objective, the Council is now looking to dispose of 5 acres for best consideration, in accordance with section 123 LGA 1972, as set out within this report and the Part B report, also on this agenda.
- 2.2 In line with the objectives for its purchase, the FCRP is a key strategic employment site, with the potential to provide significant jobs and economic growth to benefit the residents of the city. The overall vision within the updated Former Central Retail Park SRF, approved in March 2023, is to create a high-quality, sustainable office district, with a significant amount of attractive public realm at its centre, connected to the wider community. The proposed public realm would incorporate green space and planting, providing a safe environment that promotes well-being for local residents, new office employees, and visitors. It will also contribute to the city's green space network through its interface with Cotton Field Park and the enhanced green spaces within the Ancoats Public Realm Strategy, in particular Ancoats Green and the public realm surrounding this. The updated SRF also responds to a requirement from the GPA to create a digitally focused office campus, the "Manchester Digital Campus", for various Civil Service departments, housing several thousand jobs.

3.0 Progress on development of FCRP

- 3.1 Since the publication of the SRF, the Council has been negotiating with GPA to secure the first phase of development on the FCRP site. An agreement has now been reached to secure the delivery of the first phase, a "Manchester Digital Campus" (please see the plan at Appendix 1 showing the phases), consistent with the principles set out in the agreed SRF. This agreement shows a significant commitment to, and confidence in, the city, and is a big step towards achieving the objectives of the SRF to support regeneration and economic growth by securing regional investment; creating new high quality employment opportunities; providing new offices; and creating pedestrian connections.

3.2 The development of the first phase would be for circa 5 acres and has the potential to accommodate up to 7,000 full time jobs, with a significant proportion being recruited locally in Manchester. Complementary ground floor commercial and amenity uses (e.g. shops and cafes) and surrounding public realm would also be provided.

3.3 The delivery of the first phase would provide the catalyst to deliver the overall SRF, which will lead to significant socio-economic benefits, in line with the Council's objectives, in particular those included within the Manchester Economic Strategy. These benefits include:

- **New employment opportunities** - The proposal will deliver a range of new employment opportunities through the design, construction, and occupation of the development, providing significant opportunities for local residents including apprenticeships and training opportunities.
- **Variety of high quality office spaces** - The proposals across the whole SRF area will make a significant contribution to the Council's policy to deliver over 20 million sq. ft (circa 1.85m sq.m) of new office floorspace by 2037. This will strengthen the city's economy, further enable its growth agenda, and help to meet existing office demand from local businesses, allowing them to grow.
- **High quality new public realm and improved connectivity** – central to the SRF proposals is the delivery of extensive new public realm, including a new public park, and new attractive and safe routes connecting the site to the rest of New Islington and East Manchester and to the rest of the city centre.
- **New retail and leisure facilities** – A range of new independent and national retail and leisure facilities will be promoted to serve both local residents and the office workers, proving a new and exciting offer and associated employment opportunities.
- **Investment** - The scheme will attract substantial financial investment which will deliver positive socio-economic changes for Ancoats, New Islington and Greater Manchester as a whole, providing opportunities for people and local businesses.
- **Regional investment** - Securing investment from the GPA would be a significant boost to the future economic growth for the local area and the region.

3.4 Alongside this, the Council has recently appointed a design team for the new park, demonstrating the commitment to deliver this major new local green space as soon

as it is practical to do so. Concept designs for the park are currently being developed and will be subject to consultation at an appropriate stage.

- 3.5 It is anticipated that a planning application will be submitted for the redevelopment of the phase 1 site during the summer of 2024, and that the Council will aim to bring forward a planning application for the park in parallel. Further work needs to be carried out to determine the most appropriate phasing options for the park and phase 2 of the development, to ensure they can be delivered safely and with minimum disruption and cost. The Council is also starting to consider options and timings for procuring a development partner for the phase 2 land.

4.0 Land Purchase Agreement with GPA

- 4.1 The key terms of the agreement with GPA for the sale of the phase 1 land for redevelopment are outlined in the Part B report included with this agenda.
- 4.2 The agreement is for the disposal of the Council's freehold interest to the Secretary of State for Levelling Up, Housing and Communities for circa 5 acres of the site, subject to the granting of planning permission, for the delivery of over 800,000 sq ft of new build Grade A office buildings for occupation by Government departments and wider public sector bodies. This will enable the creation of up to 7,000 jobs. The value of the disposal has been independently assessed and verified for both parties.
- 4.3 Provisions are included in the terms for the sale to account for the development not commencing, or being partially completed, including arrangements for the Council to re-acquire the site if appropriate, to maintain control of its future development.
- 4.4 It also sets out the permitted uses of the site, the expected environmental standards and compliance with social value policies.

5.0 Conclusions

- 5.1 The updated Former Central Retail Park SRF is part of a wider set of plans for the development of Ancoats, including the delivery of significantly upgraded and extended green space at Ancoats Green. The SRF vision is to create a high-quality, sustainable office district with an attractive public realm at its centre, delivering significant socio-economic benefit to the city and the local community. The GPA proposals for the Manchester Digital Campus are consistent with the adopted SRF principles and will be instrumental in delivering the Council's objectives.
- 5.2 The important progress made to date in securing an agreement with the GPA for the development of phase 1 of the site will provide significant new job opportunities and new facilities for local people. It provides investment and confidence in the city, contributing to its continued growth. Work has also recently commenced on the design for the new park, as a central component of the overall redevelopment of the site.

6.0 Legal Considerations

- 6.1 Section 123 of the Local Government Act 1972 gives a local authority the power to dispose of land in any manner they wish. The only constraint is that the disposal must be for the best consideration reasonably obtainable (unless the Secretary of State consents to the disposal). In accordance with section 123, the only considerations which can be taken into account are those of commercial or monetary value to the Council.

7.0 Recommendations

- 7.1 The recommendations are set out at the front of this report.