

## **Manchester City Council Report for Resolution**

**Report to:** Executive – 12 February 2020

**Subject:** Refresh of the Ancoats and New Islington Neighbourhood Development Framework

**Report of:** Strategic Director (Growth & Development)

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### **Summary**

The Executive approved a Neighbourhood Development Framework (“NDF”) for Ancoats and New Islington in 2014 and a subsequent update in 2016, which have been used to guide and co-ordinate development activity in this key part of the city, in support of adopted planning policy.

It is now an appropriate time to:

- (i) set the objectives for those elements of the NDF that relate to the Back of Ancoats Poland Street area; and
- (ii) set out objectives for the future redevelopment of the Council-owned former Central Retail Park site that fronts onto Great Ancoats Street.

Proposals for each of these areas to update the NDF have now been developed for consultation. When approved in a final form the revised NDF will be a material consideration in the determination of subsequent planning applications that fall within its scope.

### **Recommendations**

1. In respect of the draft revisions to the Poland Street Character Area of the NDF, the Executive is recommended to:
  - a. Note that the City Council will use its remaining land assets within the NDF area to deliver and influence the delivery of new net zero carbon development;
  - b. Approve that the following sites in the City Council’s land ownership – land adjacent to Butler Street, land adjacent to Downley Drive and the former Ancoats Dispensary as identified on Map 1 of this report - will be used to promote affordable housing;
  - c. Endorse the draft revisions to the Back of Ancoats Poland Street Character Area of the NDF as set out in Appendix 1 of this report as a basis for public consultation and that a final version will be brought back to a future meeting of the Executive for endorsement.
2. In respect of the former Central Retail Park site, the Executive is recommended to:

- a. Approve the commercial led mixed use development strategy for the Central Retail Park site as set out in Paragraphs [5.12 to 5.14] of this report;
  - b. Note the intention to commence an exercise to engage the market to identify a Development / Investment Funding Partner(s) with the objective to deliver a net zero carbon commercial led mixed use development on the Central Retail Park site;
  - c. Delegate authority to the Chief Executive, the Deputy Chief Executive and City Treasurer, City Solicitor, the Strategic Director - Growth and Development and the Head of Development, in consultation with the Leader of the Council, the Executive Member for Finance and Resources and the Executive Member for Property, to finalise the detail of the market exercise;
  - d. Note that a Commercial Plan for the Central Retail Park site will be brought to a future meeting of the Executive for approval following the appointment of the Development / Investment Funding Partner(s); and
  - e. Endorse the draft revisions to the Great Ancoats Street Frontage (the former Central Retail Park site) Character Area of the NDF as set out in Appendix 2 of this report as a basis for public consultation and that a final version will be brought back to a future meeting of the Executive for endorsement.
3. In respect of all recommendations in this report, the Executive is recommended to authorise the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations

**Wards Affected** - Ancoats and Beswick; Miles Platting & Newton Heath; Piccadilly

**Environmental Impact Assessment** - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

The revised Ancoats & New Islington Neighbourhood Development Framework recognises that future development within the area will need to respond to the City Council's objective of achieving zero-carbon target and will be expected to move towards this aspiration through the active utilisation and deployment of leading building technologies. The City Council will use its land interests in the area to deliver this outcome.

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The proposals contained within the refreshed Ancoats and New Islington Development Framework (NDF) offer the potential to bring forward mixed - used development that will

	contribute to the creation of jobs within the area and provide a range of residential accommodation for the growing population of the city.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The further development of Ancoats and New Islington 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.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The proposals contained within the refreshed NDF offer the potential to help deliver the Manchester Residential Growth Strategy and meet the growing demand for new homes in a range of tenures that are close to quality amenity space and within easy access of employment opportunities. The creation of additional commercial space will help create new and sustain existing employment opportunities.
A liveable and low carbon city: a destination of choice to live, visit, work	The refreshed NDF reaffirms the Council's commitment to deliver zero carbon growth and sets out the intention of creating sustainable neighbourhoods with strong connections to public transport infrastructure; enhanced active travel routes and improved public realm and public open spaces.
A connected city: world class infrastructure and connectivity to drive growth	The NDF will help guide and coordinate the eastwards expansion of the city centre and create a seamless link to the neighbourhoods of East Manchester, contributing to the vibrancy and attractiveness of these areas.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Financial Consequences – Revenue**

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

### **Financial Consequences – Capital**

There are no direct 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, 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, 13<sup>th</sup> September 2017;
- Manchester Zero Carbon 2018 – Manchester City Council’s Commitment, Executive, 13<sup>th</sup> March 2019;
- Council Resolution on Declaring a Climate Emergency, Executive, 24<sup>th</sup> July 2019;
- Eastlands Regeneration Framework, Executive, 24<sup>th</sup> July 2019; and
- Delivering Manchester’s Affordable Homes to 2025, Executive, 11<sup>th</sup> September 2019

## **1.0 Introduction**

- 1.1 The Ancoats and New Islington Neighbourhood Development Framework (NDF) was endorsed by the City Council's Executive in October 2014 in order to enable the City Council to guide development objectives in this key location on the north eastern edge of the city centre in line with adopted planning policy.
- 1.2 The initial Framework document was established at a time when there was a renewed developer interest in the area following the 2008 financial crash and subsequent recession. The document set out a number of core objectives that would help guide policy-compliant development in Ancoats and New Islington.
- 1.3 A further refresh of the NDF was approved by the Executive in 2016. This was in response to a significant surge in development activity in the core of the Ancoats Conservation area and the sites surrounding New Islington Marina. The updated document provided refreshed guidance that addressed objectives relating to the form and nature of development, permeability and connectivity as well as reflecting the progress that had been made towards delivering the original objectives contained within the 2014 NDF.
- 1.4 The 2016 document broke the area down into 6 distinct zones, each with specific characteristics that required their own planning principles and illustrative masterplan. Two zones, which have different ownership are now the subject of further interest in the market and it is timely to refresh them.
- 1.5 The first of these is Character Area 3, Back of Ancoats, referred to as the "Poland Street Zone", which spans the area bounded by Oldham Road, Bengal Street, the Rochdale Canal and Butler Street/ Rodney Street. Developer interest is now pushing outwards in a north eastern direction towards this zone and it is proposed that this section of the NDF is refreshed to reflect the updated planning policy context as well as progress made in the wider area since 2016.
- 1.6 The second Zone is Character Area 4 – The Great Ancoats Street Frontage – and specifically the site of the former Central Retail Park. The site was purchased by the City Council in 2017 with aspirations to bring forward a commercial led mixed use development to deliver the city's first net zero carbon business district. To this end, it will be necessary for the City Council to commence a formal market engagement exercise to appoint a Development / Investment Funding Partner(s) to deliver this outcome. Alongside this, it is proposed to refresh the NDF to establish development objectives for the site.

## **2.0 Background**

- 2.1 Ancoats is made up of a number of distinctive mixed-used neighbourhoods, including New Islington, that sit on the north eastern edge of the extended city centre. They act as the link between the city centre and the East Manchester neighbourhoods of Miles Platting, Lower Medlock Valley and Holt Town.

2.2 The neighbourhood formed the bedrock of Manchester's growth as an industrial power during the 19<sup>th</sup> and early 20<sup>th</sup> century, before falling into long term decline following de-industrialisation in the latter part of the 20<sup>th</sup> century. From the early 1990's onward the City Council has worked in conjunction with government agencies, businesses, community stakeholders and developer partners to develop and deliver comprehensive regeneration strategies in the area. For the majority of this period, strategic oversight for this work lay with New East Manchester (NEM), the Urban Regeneration Company established by the City Council, the North West Development Agency (NWDA) and English Partnerships – now known as Homes England. More recently the City Council has fulfilled this role working with private sector partners to bring forward development.

2.3 The recession of the late 2000's threatened to seriously derail the momentum of regeneration that had been built up through significant public sector investment. However, the City Council, working in conjunction with Homes England has been able to re-energise development activity in recent years and a significant number of residential and commercial development schemes have come forward in the area, including:

- Manchester Life: The City Council has established a Joint Venture (JV) partnership with the Abu Dhabi United Group to deliver residential development in East Manchester. To date the JV has delivered 6 residential schemes in Ancoats and New Islington which amount to circa 1,015 apartments and town houses and 14 commercial units. A further 3 schemes are currently on site that will deliver 450 residential units and 3 commercial units.
- Urban Splash: The "hoUSE" scheme has delivered 42 houses in phase 1 and a block of 40 apartments is currently being built out at New Islington Marina. Urban Splash are also on site at Guest Street and Piercy Street with 2 schemes that will deliver 37 houses, 20% of which will be affordable. A further planning application for 20 houses and 88 apartments is currently with the Local Planning Authority for consideration. In addition to this Urban Splash have undertaken a number of commercial redevelopment schemes including the former Stubbs Mill which has been redeveloped to provide 26,910 sq ft of new office space that has been fully let and occupied by global sports brand Fanatics, with 250 employees being accommodated. In Ancoats Urban Splash have acquired Bee Hive Mill and undertaken extensive remodelling works to create commercial floorspace and redevelop the former Sankeys Soap nightclub as the headquarters for the Princes Trust in Manchester.
- Northern Group have completed a number of schemes in Ancoats, the most recent being Jactin House at Cutting Room Square which provides 40,000 sq ft of commercial floor space in Ancoats.
- McCaul Developments have recently completed the Warehaus scheme at the junction of George Leigh Street and Radium Street, this delivers 7 houses and 25 apartments.

- First Step Group has completed a scheme on the site of the former Edinburgh Castle at Blossom Street. This includes renovating and bringing back into use the Edinburgh Castle Pub as a gastro pub, and 22 residential apartments and 1 house.
- Mulbury Homes are on site with a scheme of 140 apartments and 3 town houses on a site fronting onto Great Ancoats Street at the junction with Blossom Street.
- Rezipenza Ancoats have delivered a 14 unit town house scheme on George Leigh Street
- Forshaw Land and Property Group have delivered a 20 unit apartment scheme on the site of the former Morning Star Hostel on George Leigh Street at the junction with Cotton Street.
- The Express Building on Great Ancoats Street has recently been acquired by Wittington Investments and the Grade II\* listed building has been fully restored to create 77,500 sq ft of contemporary workspace. Huckletree, who specialise in the provision of co-working space and incubation have already signed up for approximately one third of this space.
- The City Council has acquired Homes England Commercial Estate in Ancoats, which includes 42 units made up of 83,000 sq ft. This is 90% let to a number of independent retailers.

2.4 As a result of this there are few regeneration opportunities remaining in the heart of the Ancoats Conservation area or within the New Islington Marina area. Accordingly, developer interest is starting to focus on the north eastern part of Ancoats. On this basis, officers believe that there is a need to review and update the guidance and development objectives for the area to ensure they respond to the City's aspirations for this part of Ancoats; in particular the need to deliver commercial floor space in line with adopted planning policy that will meet the growing demand from tech industries and light industrial uses that are compatible with adjacent residential uses.

2.5 Finally, in September 2017 the Executive approved the acquisition of Central Retail Park from TH Real Estate. Including holding costs this transaction to date has been a cost to the Council's capital programme in the order of £38m. This part of the city is now increasingly a destination of choice for office occupiers, particularly for businesses in the Technology, Media and Telecoms (TMT) sector. These organisations are being attracted to the character of the Ancoats area and are seeking a different type of offer to the traditional Grade A office space, instead they are looking for flexible spaces with more character, tenant facilities and amenities. The adjacency of the Northern Quarter, which is also popular with businesses who operate in the TMT sector but has limited space to accommodate such occupiers, is key in driving forward a commercial led development opportunity of scale on this site. New types of office spaces that encourage agile and collaborative working and that

contribute to the wellbeing of the workforce are key to attracting the TMT sector into new purpose-built workspace in a wider neighbourhood setting that is attractive to the workforce talent it needs.

### **3.0 Updating the Ancoats & New Islington Neighbourhood Development Framework: Key Objectives**

#### Zero Carbon

- 3.1 In July 2019 the City Council declared a Climate Emergency with a stated ambition for the city to become carbon neutral at the earliest possible date. Amongst other things, it set an objective that all new development is to strive to be net zero carbon. Pending the Executive's approval of the Final Action Plan that will detail how Manchester can stay within its carbon budget, it is intended that the updated NDF will seek to minimise carbon emissions from new development.
- 3.2 The objectives contained within the updated NDF aim to create a more sustainable neighbourhood, with communities and lifestyles that have a reduced carbon footprint. The back of Ancoats presents an opportunity to bring forward development that responds to the need to reduce carbon output through design and construction methods that utilise cutting edge technologies, and through the creation of mixed-use neighbourhoods providing employment opportunities adjacent to residential development that reduces the dependency on car travel and encourages active travel. The provision of enhanced and well linked green spaces will provide useable amenity space and promote pedestrian movement.
- 3.3 Sites in the Council's ownership, such as Central Retail Park, should aim to deliver a net zero carbon outcome for the city. As such in this NDF area it is proposed that City Council land interests will be used to deliver, and influence adjoining landowners to deliver, a net zero carbon outcome.

#### Affordable Housing

- 3.4 The City Council's Executive received a report in September 2019 that increased the numbers of Affordable Homes in the city to be delivered in the ten year period to March 2025 to 6,400. In doing so the Executive noted that the delivery of new affordable homes in the city would be dependent on robust partnership relationships with Registered Providers, which currently have the financial and delivery capacity to deliver those homes. The Executive also agreed to an approach to the disposal of sites in Council ownership for the provision of new affordable homes in the city.
- 3.5 The Eastlands Regeneration Framework that was considered by Executive in July 2019 provides a framework to guide the next phases of development activity and projects in and around the Etihad Campus joining up with the eastwards expansion of the city centre from Ancoats. The ERF seeks to promote a diverse range of new homes across East Manchester ensuring that affordability of these homes is at the heart of residential growth and a

broadening of the area's housing offer. New affordable housing in areas such as Miles Platting and New Islington were highlighted as providing affordable housing opportunities for residents to fully capture the benefits of the new growth at the core of the conurbation.

- 3.6 To ensure that new affordable housing can be developed in the Ancoats and New Islington Neighbourhood Development Framework area going forwards it is proposed that, in partnership with a Registered Housing Provider, three initial sites in City Council ownership will be set aside for this purpose. It is proposed that land adjacent to Butler Street, land adjacent to Downley Drive and the former Ancoats Dispensary, as identified on Map 1, will be used to promote new affordable housing. This land should be capable of delivering up to 145 new homes. It should be noted that the intention is to retain and incorporate as much of the structure of the former Ancoats Dispensary as possible within any redevelopment of this particular site.

## Map 1: Location of Sites for Affordable Housing



### 4.0 Updating the Ancoats & New Islington Neighbourhood Development Framework: Character Area 3 - the Poland Street Zone (Back of Ancoats)

- 4.1 In order to ensure that the City Council has articulated a clear vision for the area that will help guide development, the City Council has commissioned a review of the objectives for this part of Ancoats. The purpose of this work is to ensure that the objectives in the 2016 NDF reflect current thinking in terms of the redevelopment of the area and are aligned to the current market context relating to a number of key issues including zero carbon and affordable housing.

4.2 It should be noted that the characteristics of this area are different to those seen in the heart of the Ancoats Conservation Area, and the area is defined by:

- An interrupted street grid pattern that is dominated by 2 industrial estates at Poland Street, which have broken down the legible street routes from Ancoats into Miles Platting;
- A number of vacant and underutilised sites that detract from the visual amenity of the area and undermine the identity of the area;
- Being part of the Conservation Area, but gaining little benefit from the locational advantage of from one of the largest concentrations of listed buildings in the country;
- Poorly positioned open space at Kemp Street that attracts a high level of anti-social behaviour and does not fulfil its potential as a neighbourhood park;
- A lack of pedestrian footfall and visible daytime activity, which has resulted in a lack of activation and natural surveillance; and,
- Low value buildings that do not front onto the Rochdale Canal and therefore do not exploit the advantage of a waterside location.

4.3 Attached at Appendix 1 is the draft revisions to the Poland Street Character Area of the NDF, setting out updated and detailed objectives relating to Character Area 3 – the Poland Street Zone. As stated above, the draft document seeks to reflect the updated market context that future development will need to respond to and progress made in delivering a revitalised neighbourhood in recent years.

#### Updated Vision and Objectives

4.4 The aim is to see improved social, environmental, economic and design outcomes from developments in the local context and an enhanced sense of place. This means maintaining progress in delivering an authentic evolution of Ancoats; providing a different form of urban development and mix of uses, that are rooted in the area's past but driven by a sense of the future.

4.5 This means shaping a neighbourhood that is:

- **Diverse and multi-generational** – A housing mix and living environment that opens up the Ancoats urban lifestyle to a broader range of people;
- **Living and working** – An active and mixed place that optimises residential and employment space, carefully managing the needs of both communities;
- **Urban and green** – Unreservedly urban in its density, medium-rise in scale and structured around meaningful open and green spaces and people friendly streets; and,

- **Sociable and sustainable** – Somewhere that supports carbon neutral living and working, and fosters a sense of community and collective responsibility.

4.6 The updated objectives, which reflect adopted planning policy, can be summarised as follows:

- The development of a unique identity for the back of Ancoats that reflects a mix of both commercial and residential uses and creates a seamless transition and connection from the high density uses of the city centre to the more suburban feel of the neighbourhoods of Miles Platting and beyond. A mix of uses in this area punctuated by high quality amenity space will add to the vibrancy and character of the area.
- The reinstatement of the grid pattern street layout will improve connectivity and movement through the area as well as creating legible routes that draw pedestrians into the area and through to the surrounding areas.
- The creation of a mixed living and working neighbourhood, delivering flexible commercial floorplates for office and modern light industrial uses that can co-exist with a residential development that offers a range of typologies and tenures including the provision of affordable housing.
- The creation of high quality amenity and green spaces in the right location that will integrate with surrounding uses and act as a focal point to draw people into and through the area.
- The use of a range of building forms that will reflect the urban character of the area and bring flexibility with semi private spaces that create activity at street level. This will include:
  - Block – a block based approach, mixing uses, form and scale but creating a legible structure within the area;
  - Yard – creating flexible pocket spaces that can be used for a variety of functions throughout the day. They could be designed to balance the access of needs of people and vehicles to allow for the integration of multiple uses;
  - Green – a network of enhanced public space that will draw people towards the green and blue infrastructure in the area and create a more attractive setting for new development; and
  - Wharf – the opportunity to exploit the locational advantage of the Rochdale Canal and bring activity and amenity space that overlooks the canal and the towpath while reducing traffic in this area to create a sense of tranquillity.
- The creation of a mixed density neighbourhood that varies in height to a maximum of 8 storeys and form that adds character to the area and prevents the repetition of a limited number of built forms.

## 5.0 The former Central Retail Park site

- 5.1 When the Executive agreed in September 2017 to acquire Central Retail Park, Members were advised that decisions in respect of the future development of the site would need to be monitored against performance of the property market. Since 2017 the market in the city centre has changed. A number of factors have started to influence the appetite of the market to bring forward new housing supply, particularly in the city centre, which is linked to the desire of financial institutions to support further residential development. These challenges for funding are associated with the uncertainties of the national and Manchester economy generated by both Brexit and the wider global economic uncertainties. The impact of this fiscal landscape is now leading to a slowdown in the pace of schemes being brought forward for development.
- 5.2 In parallel with the levelling off in the city centre residential market, the demand for new workspace / offices has continued apace within the city. In 2013, 2015, 2016, 2017 and 2018, workspace take up has comfortably been above the 10 year average of 1,215,000 sq ft. with 2018 being a record year with 1,713,000 sq ft of leasehold take up. The recently published figures for 2019 saw take up at 1,450,000 sq ft of space let across 261 transactions.
- 5.3 Within the context of the long term planning arrangements for the city and Greater Manchester, the draft Greater Manchester Spatial Framework (“GMSF”) indicates that Manchester can deliver 16.7million square feet of such floorspace by 2037. The current uncertainties associated with the delivery of HS2 will affect the timing of the significant amount of workspace / office floorspace anticipated at Piccadilly Station. Nearly 3million sq ft of such space is included within the draft GMSF assessment of 16.7million sq ft. As such bringing forward a significant amount of workspace / office floor space on Central Retail Park will support the long term target for new jobs in the city.
- 5.4 Against the backdrop of growing demand for workspace / office floor space within the city over the last number of years and the need to look forward at the medium to longer term pipeline for workspace / office floor space in the city OBI Property (OBI), a Manchester based commercial property agency, were commissioned to evaluate whether a commercial led proposal for Central Retail Park could deliver a significant commercial workspace / office scheme. This scheme should be capable of creating a business district that would be recognised on an international level and which would attract global and national businesses to Manchester. In doing so OBI would take into account the existing commercial development pipeline in the core of the conurbation, the potential competing schemes, and review occupational demand for workspace / offices in this part of the city centre.

#### Central Retail Park: the Key Findings of the OBI Market Assessment

- 5.5 The OBI evaluation of the Central Retail Park site as a commercial workspace / office led development opportunity is very positive. In the context of a city centre workspace / office market that has evolved over the last 10 years, the take up of workspace / office has been increasing and the 5 year average take up currently equates to circa 1,350,000 sq ft per annum. Such workspace /

office take up has been previously dominated by the financial & professional, legal and insurance sectors, however there has been a shift in more recent years with the Technology, Media and Telecoms (TMT) sector becoming the most active sector in the city. OBI indicate that this sector and the digital and creative sector should be the target market for the Central Retail Park site.

- 5.6 OBI indicate that there is an opportunity to encourage both global and local players in the TMT / digital and creative sectors to consider Central Retail Park as a potential regional base given its location within the city and the attractiveness of this location to recruit talent to work there. This attractiveness is driven by the site being immediately adjacent to both the amenities and the TMT / digital and creative businesses already in the Northern Quarter and Ancoats neighbourhoods, proximity to two major transport hubs, and an accessible Metrolink stop. OBI also expect the trend for regional TMT and digital & creative occupiers to relocate into the city centre to continue and Central Retail Park would be a potential base for these businesses for the same reasons cited above.
- 5.7 OBI anticipate that the current workspace / office developments in the pipeline will continue to support sustainable rent levels. There is circa 2 million sq ft of workspace that will be delivered between 2019 and 2022 and based on the average annual Grade A workspace / office take-up of 500,000 sq ft, it is anticipated that all of the existing supply and the workspace in the development pipeline will be let by Q4 2023. In addition it should be noted that OBI are of the view that New Bailey, St John's and Circle Square should provide confidence in maximising the amount of workspace / office on Central Retail Park, as they provide relevant examples of how large-scale development can establish new commercial hubs within a 3 – 5 year period in what were once seen as emerging districts.
- 5.8 In their assessment, OBI are of the view that, in order to create a competitive commercial development opportunity on Central Retail Park, additional facilities such as a landmark hotel, an element of co-working space and co-living space should be considered as part of the development mix. OBI also stress the importance of incorporating good quality amenities and a very high quality public realm in attracting occupiers.
- 5.9 To determine if the use of the Central Retail Park site for a commercial led development proposition would support sustainable financial returns, Savills Global Estate were engaged to evaluate both the proposition and to advise on potential delivery routes to securing the best possible financial and regeneration outcomes for the City Council.

#### Central Retail Park: the Key Findings of the Savills Global Real Estate Assessment

- 5.10 In assessing the deliverability of workspace / office development at Central Retail Park, Savills evaluated the Manchester market for workspace / offices, the initial masterplanning work, and the potential delivery routes. To provide more of a market facing view, Savills also undertook a soft market testing

exercise and provided initial scenario testing to review the viability of different options within the development appraisal work.

5.11 The key conclusions of this work are set out below:

- Office take up momentum in Manchester coupled with strong market sentiment and a scarcity of sites in supply makes Central Retail Park an attractive commercial development opportunity, irrespective of the method of sale/delivery/market engagement;
- An increasingly strong brand encompassing the Northern Quarter and Ancoats means a commercial development in this location is an attractive proposition;
- Various means of delivery are available to the City Council at this stage, ranging from a low risk, low return land sale through to a sharing in development risk and return through a Joint Venture Development Partnership. The Council's appetite for risk on this site needs to be determined prior to finalising an approach to delivery;
- Soft market testing has indicated strong levels of interest from developers willing to consider all methods of delivery;
- The developer discussions have also demonstrated that the market would consider speculative office development in this location;
- There was an acceptance from all who engaged in the soft market exercise that they need to step up to the zero carbon challenge but also a concern that carbon neutral can be looked at in different ways and, as such, there is a desire to understand more about the Council's aspirations and also a concern about the potential impact on build cost and viability; and
- Further appraisal work is required but adopting today's build cost all the options delivered a positive land value. The Council's appetite to risk will impact on the returns that are available, clearly a significant pre-let would help to speed up the sites delivery.

#### Central Retail Park: A Proposed Development Strategy

5.12 Taking a long term view of the city's requirements for workspace / offices; the need to provide a significant pipeline going forwards to meet the anticipated demand for such space; and a need to provide occupiers with a breadth and depth of choice of location and office product in the city, there are very strong arguments to support a commercial led mixed use development on the Central Retail Park site. OBI Property have supported this analysis as have Savills Global Real Estate.

5.13 In creating a high quality new business district the development profile that will attract occupiers to that location will not just simply rely on a workspace / office

offer that meets their requirements but also on an amenity and public realm offer that meets the demands of those occupiers who wish to locate to this business district. Ultimately the overall scale and mix of commercial and associated development which may take place on the Central Retail Park site will be a function of the Manchester market when individual phases of development are brought forward for investment decision, and subject to planning in the usual way. Early phases of development will be commercial led and if any residential development is to be brought forward it will likely to be a later phase of development on the site if that would assist fulfil the place-making objective.

- 5.14 In relation to bringing forward a commercial led development proposal for this site it is proposed that the City Council commence a procurement exercise to appoint a Development / Investment Funding partner(s) who can provide the necessary development expertise and investment to take the project forward.

#### Central Retail Park – Proposed Revisions to the Ancoats & New Islington Neighbourhood Development Framework

- 5.15 Alongside the work which the City Council (as landowner) will undertake to bring forward redevelopment proposals on this site, the opportunity has been taken to update the objectives for Character Area 4 – Great Ancoats Street Frontage Zone in the NDF. Revised draft design objectives may be found at Appendix 2.
- 5.16 The objectives of the revised framework will be to deliver an exemplary net zero carbon commercial district with the ability to attract new businesses and talent to Manchester. The development will bring together activities and people to create a vibrant mixed use neighbourhood, complementing and uniting the surrounding districts. In doing so, the proposal represents a key opportunity to help unlock the potential of East Manchester.
- 5.17 If the ambition to deliver a net zero carbon business district on the former Central Retail Park site is realised it should:
- Attract talented people to want to work in this location and attract leading companies to want to be based there;
  - Deliver circa 1 million sq. ft. of new workspace/ offices in the city capable of being the home to circa 10,000 jobs;
  - Become an exciting new destination where employees, residents and visitors will come to spend their time;
  - Link to and enhance Cotton Field Park;
  - Play its part in realising a carbon neutral Manchester by 2038, and addressing the twin crises of climate breakdown and biodiversity loss;
  - Be attractive, healthy, safe and accessible and inclusive for all;
  - Compliment a significant and growing culture, leisure and tourism sector; and
  - Create a comfortable and pedestrian friendly public realm.

## **6.0 Next Steps**

- 6.1 Subject to the Executive's approval, the intention is that the revisions to the NDF will be the subject of a public consultation exercise that will take place between February and April 2020, involving landowners, local residents, businesses, developers, statutory and non-statutory bodies and other local stakeholders.
- 6.2 The consultation process will be designed to raise awareness of the objectives for the Poland Street zone at the back of Ancoats and the former Central Retail Park site among key audiences, including local stakeholders within the area and a wider audience across the city. Feedback will be gathered to help refine and finalise the NDF with an opportunity for concerns/issues relating to specific areas to be addressed and for consideration to be given to any new suggestions that may enhance the draft proposals.
- 6.3 Once comments have been received and assessed, a final version of the NDF document, incorporating any necessary amendments will be brought back to a future meeting of the Executive for consideration and approval, together with details of an Implementation Strategy for the back of Ancoats to support the delivery of the proposals set out. It is likely that such an Implementation Strategy will need to address issues such as:
- The potential requirement for a Sustainability Framework to underpin ambitions relating to Zero Carbon and the provision of improved green spaces and public realm;
  - Land assembly and the potential requirement for business relocations if changes to layout and uses are pursued; and
  - The funding and provision of supporting community and social infrastructure.
- 6.4 It is the intention of the City Council to consult with and actively engage landowners in the area in relation to proposals set out in the Draft NDF and in the future implementation of proposals. However, due to the fragmented nature of land ownership in parts of the Poland Street Zone it should be noted that the City Council may need to consider utilising its Compulsory Purchase powers to help deliver any proposals set out in the final version of the Framework.

## **7.0 Contributing to a Zero-Carbon City**

- 7.1 As set out above, the draft revisions to the NDF establishes that future development in Ancoats will be required to respond to the City Council's Zero Carbon policy through the use of low carbon technologies and solutions in the design and delivery of buildings and infrastructure. The proposals set out in the draft revisions support the provision of residential and employment uses close to the conurbation core and will promote the use of public transport and active travel routes as the primary means of movement; reducing commuting distances and reliance on private cars as the primary means of transport.

## **8.0 Contributing to the Manchester Strategy**

### **(a) A thriving and sustainable city**

- 8.1 The objectives will contribute to the delivery of residential and commercial development that will support the city's economic and residential growth objectives and contribute to the continued growth of the local and regional economy.

### **(b) A highly skilled city**

- 8.2 The objectives confirm that Ancoats will continue to provide new commercial space in line with adopted planning policy to meet demand from existing and newly established businesses, thus creating and sustaining employment opportunities. The draft revisions to the NDF also support the objective of re-purposing vacant and underutilised sites in the City Council's ownership to provide new homes meeting the needs of a growing workforce who wish to live close to the Regional Centre.

### **(c) A progressive and equitable city**

- 8.3 The draft revisions to the NDF offer the potential to meet Manchester's residential growth targets, contributing to and meeting the demand for new homes in and around the city centre in a range of types and tenures. The continued development of Ancoats will deliver high quality public open space and the provision of accessible facilities for the local community.

### **(d) A liveable and low carbon city**

- 8.4 The draft revisions to the NDF will support the delivery of high quality residential development using state of the art technologies to reduce the carbon footprint and create neighbourhoods with a range of amenities to support its residents close to the conurbation core.

### **(e) A connected city**

- 8.5 The continued development of Ancoats will create a seamless connection between the city centre and the neighbourhoods of East Manchester, contributing to the vibrancy and attractiveness of these areas.

## **9.0 Key Policies and Considerations**

### **(a) Equal Opportunities**

- 9.1 The revisions within the Neighbourhood Development Framework will be consulted on with a wide range of stakeholders, enabling all interested parties to engage in the process.

### **(b) Risk Management**

- 9.2 Not applicable at this stage of the process.

### **(c) Legal Considerations**

- 9.3 The Executive will receive a final version of the updated Framework later in the year which will include the results of the public consultation exercise proposed above. Once the Framework has been approved by the Executive it will become a material consideration for the City Council as Local Planning Authority.
- 9.4 In respect of the former Central Retail Park site the Council is proposing to undertake a market engagement exercise to appoint a development/Investment Partner(s). Any such exercise to be undertaken will be in compliance with the applicable statutory and legislative framework.
- 9.5 The City Solicitor will support the team in taking the proposals forward to ensure compliance with all relevant legislative and constitutional requirements.