MANCHESTER CITY COUNCIL

REPORT FOR RESOLUTION

COMMITTEE	Community Regeneration Overview and scrutiny Executive
DATE	7th February 2007 14th February 2007
SUBJECT	Update on developing a policy framework for Manchester's Centres
REPORT OF	Chief Executive

PURPOSE OF REPORT

To update members on work undertaken on Manchester's district and local centres, the future capacity for retail development throughout the City and the implications for Manchester's Centres in developing the Core Strategy for the Local Development Framework.

RECOMMENDATIONS

i) Note the contents of this report.
ii) Approve the contents of this report to develop future policy options as part of the Core Strategy process.

Financial Consequences for the Revenue Budget

None.

Financial Consequences for the Capital Budget

None.

Contact Officers

Eamonn Boylan 234 3280
Peter Babb 234 4501
Karen Findley 234 4562
Robert Griffin 234 4068

Background Documents

Report to Executive 13/04/05
Manchester Centres Study – CBRE June 2004
Manchester City Council Quantitative Retail Needs Study – GVA Grimley July 2006

Wards Affected

All.

Implications for:

Anti-Poverty	Equal Opportunities	Environment	Employment
YES	YES	YES	YES

1. Introduction

1.1 In order to move towards the development of a policy framework for Manchester's district and local centres two studies have been commissioned and completed over the past three years. These studies have investigated the likely capacity for new retail development over the next 15 years and also the qualitative aspects of the City's existing district and local centres. In moving towards a policy framework this report aligns the results of the two studies; the particular centre objectives set out in the Strategic Regeneration Frameworks; and the national policy direction relating to retail and the other main town centre uses.

1.2 The outcomes of the two studies and the Strategic Regeneration Frameworks will form part of the evidence base for the development of the Local Development Framework Core Strategy and the planning policies that will deal with the development of district and local centres.

1.3 The starting point in moving towards developing a policy framework for Manchester Centres is an analysis of the national trends and policy context of retailing; this is briefly outlined in the second section of the report. Following on, the implications of trends and policy for Manchester are considered, presenting options in taking forward provision for retail and service development throughout the City.

2. Policy context and trends

2.1 Retail development in particular has had a strong national policy direction for the last decade, initially through the production of Planning Policy Guidance note 6 (PPG6) and subsequently in 2005 through the publication of Planning Policy Statement 6 (PPS6). The production of PPS6 extended the type of land uses subject to its policies, moving from predominantly retail uses in PPG6 to ‘main town centre uses’ in PPS6 covering developments for leisure, hotels, offices and other entertainment uses. PPS6 as with PPG6 also defines the main characteristics that differentiate District from Local Centres.

2.2 The main principle of policy is the ‘town centres first’ principle, which seeks to direct development of main town centre uses to, in the first instance, town and city centres. Nationally, this policy has been seen as very successful in securing the regeneration of larger town and city centres and directing investment away from less sustainable out of town locations.

2.3 Whilst the town centres first policy has generally been successful for larger town and city centres, smaller centres have struggled to attract investment and new retailers, particularly in the non-food (comparison goods) sector. There have also been strong trends, discussed below, in the way people shop that has also impacted on the ‘traditional high street’ retailer and also led to problems of shop vacancies within the smaller lower order centres.

2.4 Of all the main town centre uses, retail in particular has seen considerable change in recent years with the strongest trend being the growth in dominance of the larger retailers and the impacts that they have had on the traditional high street. What is undeniable is that the largest four food retailers have been very successful in providing consumer choice, quality and convenience. In terms of non-food retail a similar trend towards dominance by national and international retailers has drawn comments from organised groups and other commentators that this has led to the emergence of ‘Clone Towns’ and the loss of local distinctiveness. However, the reduction in the number of small traders is not confined to retail, the rationalisation of traditional public services such as Post Offices also serves as a reminder of the general trends pervading the traditional high street.

2.5 The causes for these trends are widespread but it has been recognised at a national level that the planning system may be having an unduly significant role in supporting the larger incumbent retailers. In terms of food retailing the dominance of the big four companies has led to calls for government intervention and there is an outstanding Competition Commission inquiry into the operation of the Groceries Market which is due to report in October 2007. Amongst many other issues the inquiry is investigating the impact of the planning system and whether it distorts competition between retailers particularly through the ‘need’ and ‘sequential’ tests set out in PPS6. An emerging findings report was published by the Competition Commission in January 2007 although it does not reach any conclusions it does set out the need for further investigation on many of the issues surrounding the planning systems interaction with the grocery market.

2.6 A separate review of land use planning system undertaken by Kate Barker for HM Treasury and the Department for Communities and Local Government reported in December 2006. Part of this review was concerned with the possible impacts of planning on the retail and service sector. Amongst its recommendations was the removal of the 'needs' test currently required for retail developments taking place outside defined existing centres. The report also suggests that supporting guidance on delivering the town centre first, sequential and impact test should be developed in a way that does not add to additional burdens in what is already a highly regulated policy. The review suggests that this policy change can be implemented without overall harm to the town centres first policy. It is anticipated that the recommendations of the Barker review will inform the production of a Government White Paper on further planning reforms expected in the Spring of 2007.

2.7 Whilst the growth and dominance of food retailers in particular is raising concerns, what must also be recognised is that superstores are incredibly popular with residents and communities particularly where there may have been a lack of traditional high street traders in the first instance. For example, Sportcity has very high levels of shopper satisfaction and clearly provides a facility that the area previously lacked. What may be of more concern is the growth and dominance in local market share by single food retail operators and this may be an area where the Competition Commission make specific recommendations this Autumn.

2.8 Other trends of note relate to the growth in internet shopping. Recent figures suggest this form of retailing is growing at a much faster rate than high street sales – although starting from a much lower base. The growth in this form of trading will have consequences for the high street and demands for infrastructure to support internet shopping such as warehousing space and distribution requirements. It is difficult to say with any certainty what the effects might be in terms of existing Centres but it will become even more critical that they offer a broader range and diversification of facilities beyond just the traditional shop in order to encourage greater use and offset any negative affects of further rationalisation in the retail sector.

2.9 In terms of the characteristics of district and local centres the main difference is one of scale of available facilities and catchment areas. District Centres will generally have one superstore and comprise groups of shops as well as a range of non-retail uses such as banks, restaurants and local public facilities. Local centres will generally have a range of small shops of a local nature, a small supermarket, a newsagent, a sub-post office and a pharmacy. By their nature local centres serve a smaller 'walk in' catchment area.

3. The implications for Manchester's Centres

3.1 Clearly both the national policy context and trends will need to be taken into account when developing any policy framework for centres within Manchester. In terms of the centres first policy the City Council has for many years resisted significant out-of-town retail development whilst pro-actively supporting developments within existing centres or older existing retail parks in need of redevelopment. In general terms, the existing district and local centres should continue to be the main focus for retail development and service provision, they are in the most accessible locations and already contain a range of facilities. This policy approach is supported by the qualitative work undertaken for the Council and was confirmed by Executive approval in April 2005 of an interim policy approach to Centres.

3.2 In terms of trends it is hard to envisage that superstores will not continue to dominate the way in which people access their main food shopping, although the growth in internet shopping may have an impact in the future, leading to superstores acting more as warehouses for distribution. Whilst there are concerns about impact on local businesses, superstores located within centres do help to increase footfall within them and in a number of cases have provided a quality of facility that was not available to local communities before, particular examples are the superstores in Hulme and Sportcity.

3.3 In those areas where additional potential capacity has been identified, the task is to identify opportunities to accommodate new additional floorspace or in some cases redevelop existing buildings and premises in order to modernise floorspace or improve the environment and layout of a centre. In certain areas opportunities for development within a centre may be constrained for example Rusholme, and Withington where capacity has been identified in the medium and longer term in the wider area but opportunities for in centre development in line with recommendations of the capacity work are limited.

3.4 The capacity study has also identified a number of areas across the City where opportunities for additional floorspace are limited beyond schemes that are or have been developed. In some cases, this is as a result of interventions to improve the performance of centres and the implications that this can have for other centres in terms of their expansion. In these circumstances any policy framework should seek to address problems of vacancy levels in centres, promote schemes to redevelop or refurbish existing floorspace and resist any development proposals outside of centres. The areas where this is particularly relevant are;

- Cheetham Hill and Harpurhey where schemes to improve the quality and access to good quality facilities have been developed or in the case of Cheetham Hill are well progressed in line with the Strategic Regeneration Framework; and,
- Levenshulme and Longsight where capacity potential is more limited owing to schemes in the pipeline in East Manchester.

3.5 Whilst the capacity work concentrates on retail provision the majority of centres contain more than just retail uses. It will become even more important that centres provide a diversified range of services and facilities or develop specialist roles in order to retain their local distinctiveness, examples where this has and is taking place are: Chorlton, Didsbury, Levenshulme and Rusholme. There still remains further potential for other centres to develop and diversify their particular roles: Cheetham Hill has significant potential to diversify and encourage more of an evening economy, Northenden has the potential to develop a specialist role similar to Chorlton whilst Wythenshawe has the potential to move up the centre hierarchy and develop as a town centre.

3.6 Strategic Regeneration Frameworks recognise the importance of centres as fundamental to the sustainability of neighbourhoods. Both the capacity and qualitative studies reinforce that position and action has already been taken to facilitate development to meet this objective.

3.7 The remainder of this section sets out the various implications of the capacity and qualitative work for individual centres across the City based upon the sub areas used in the capacity study.

North – Cheetham Hill & Harpurhey

3.8 The redevelopment of Cheetham Hill district centre with the well advanced proposals for delivering a new Tesco store and the development that has already taken place in Harpurhey will meet the capacity and quality needs of the northern part of the City. In particular the scheme at Cheetham Hill will address the issues raised within the earlier qualitative study, which found a lack of a good quality foodstore in the centre as a particular problem. The need for these interventions is vindicated by the retail studies and embraced within the SRF.

East – Sportcity, Gorton, Openshaw and Newton Heath

3.9 Gorton and Openshaw were both recognised as poorly performing centres within the qualitative study and in need of action in order to ensure their roles as centres were improved. The approved Tesco store at Gorton will largely address problems of access to a good quality foodstore but also reduce in the long term, capacity for further foodstores in the East area. A planning application has been submitted for a retail scheme at Openshaw alongside the defined district centre, with a smaller food element. This is the subject of an independent retail consultant assessment against the retail capacity work and regeneration need.

3.10 The quantitative study identified a lack of bulky goods shopping throughout the City and East Manchester in particular. Residents are travelling to centres outside of Manchester for this type of shopping and that might also reinforce the regeneration of Openshaw district centre.

3.11 In the context of schemes at Gorton and Openshaw the role that Newton Heath plays will need to be considered. It is a centre with considerable potential and even more so if associated with additional residential development. Priorities should be to consolidate the centre and support schemes that improve the quality of floorspace provision within the centre.

Central East – Longsight and Levenshulme

3.12 The proposals for this area are heavily dependent on what occurs in East Manchester. There would be significant capacity for both food and non-food retailing in these two centres unless a scheme at Openshaw provides both in which case that capacity would be taken up by any Openshaw scheme. However, a scheme at Openshaw would have to be of sufficient quality to attract residents from this area who currently undertake considerable amounts of shopping in the City Centre and Stockport Town Centre.

3.13 If this area is to lose its available capacity the strategy should again be to consolidate the existing centres, supporting any scheme to redevelop the Asda store in Longsight and any existing floorspace within the two centres. Both Longsight and Levenshulme have and are in the process of further developing specialist roles, Longsight in the ethnic food trade and Levenshulme's southern end for the antique and furniture trade.

Central West – Rusholme, Fallowfield, Withington, Hulme, Didsbury

3.14 This area covers the largest geographic area, the largest number of centres and scope for additional floorspace. In the medium to long term there is some capacity for additional food retailing facilities with the possibility of providing an additional food superstore. The capacity study also highlights a deficiency in bulky goods retailing in the area.

3.15 In terms of the provision of space for a new superstore, because of the physical constraints in this area it may be more desirable to accommodate a number of smaller stores in a number of locations. Some retailers do already operate from smaller formats although with reduced ranges of goods that are generally for top-up shopping.

3.16 Work is emerging to examine the retail strategy for the Oxford Road Corridor including the Precinct Centre as part of the broader development framework for the Universities. Alongside this it may also be appropriate to investigate opportunities within Fallowfield and any plans the University of Manchester may have for its student accommodation at Owens Park. Strategically, Fallowfield offers the opportunity to serve communities on the corridor to the immediate north, south, east and west. Provision of additional food retailing would develop the location as one with a choice of superstores and it would also provide a diversification of the centre, which is currently heavily orientated towards the night time economy. The timescales involved in developing such a scheme would also fit with the long term capacity forecasts for additional floorspace.

3.17 Hulme has a limited range of uses but the incorporation of additional retail opportunities on Hulme High Street will help to diversify the centre and strengthen its role within the wider centre hierarchy.

3.18 Withington is heavily constrained by Wilmslow Road and its current built environment restricts the potential for substantial change. It does have the potential to diversify its offer particularly for the evening economy but it currently suffers from a lack of a good quality foodstore. Opportunities are restricted for the provision of this type of facility but depending on opportunities in Fallowfield and the time scales attributed to the capacity forecasts it may be worth considering future longer term options for Withington to provide additional food retailing.

3.19 Rusholme is also constrained by Wilmslow Road. There has been some significant retail development to the north of the traditional centre boundary as part of a high-density flat scheme. Whilst this has expanded the range of food and non-food shops the centre is still dominated by restaurants. This highly specialised role has helped to protect the centre from the general trends faced by other centres in Manchester. Strengthening the retail offer for local residents, especially food retailing, will be important in improving facilities for local residents; this needs to be balanced with maintaining the centre's specialised role.

3.20 Didsbury is another centre that has diversified and developed a specialised role, which is heavily orientated towards a leisure and night time economy. The low rates of vacant units suggest that the centre is healthy and viable. The development at Parrswood although outside of the main centre has extended the type of uses within the area. With the opening of a larger store in Burnage the long-term future of the Tesco store at Didsbury is unknown although there are no indications that there are plans to close it.

West – Chorlton

3.21 There is some capacity available for food and non-food retailing in this area. Chorlton is the only centre in this area and should therefore be the focus for any additional retail development. The centre is one of the best performing in Manchester and has a diversity of provision, which is not replicated elsewhere in the city. Any schemes for new floorspace will need to be undertaken sensitively so as not to undermine a thriving independent sector. The owners of the precinct centre have been in discussion with the City Council and are now at a stage where a preferred development partner has been identified. There is likely to be a phased approach to development initially concentrating on the precinct centre itself whilst future work may look at improving the physical quality of public service provision. Whilst any scheme could provide the additional floorspace identified there will be the opportunity to investigate provision for space specifically for independent retailers.

3.22 In order to support a scheme and any additional floorspace at the Precinct Centre it would have to demonstrate that it would be of sufficient quality to improve Chorlton's market share and to enhance the opportunity for the expansion of independent retail as well as creating a higher quality overall offer.

3.23 Owing to its performance and range of facilities and the possibility of further enhancement of the centre it is recommended that consideration be given to the re-classification of Chorlton as a Town Centre.

South – Wythenshawe and Northenden

3.24 The lack of an adequately scaled quality foodstore is identified as a key factor in the under performance of Wythenshawe Town Centre. This has been recognised through the development of a comprehensive masterplan, the first phase of which includes the creation of a new, enlarged quality foodstore which is due to open in May 2007. There is considerable capacity for further expansion of the retail floorspace in this area and further phases of the masterplan implementation include expansion to cater for both food and non-food retail. It is also recommended that consideration be given to reclassifying Wythenshawe as a Town Centre to highlight its future potential role.

3.25 Northenden has the potential to develop as a centre with significant local distinctiveness similar to Chorlton and the local centre at Beech Road. Proposals to enhance the provision of quality and diversification of the centre would help it to establish it further.

City Centre

3.26 The City Centre is an important location for services and facilities far beyond Manchester's administrative boundaries; this is reflected in the scale and type of developments that have taken place over a significant period of time. The future challenges are from the cumulative impacts that town and city centre regeneration schemes elsewhere in Greater Manchester and the North West will have on the City Centre as well as the informal extension of the Trafford Centre which poses additional localised competition.

3.27 In order to ensure the City Centre's market share is in line with comparable competitors, the study has identified the potential to extend its retail offer. Spinningfields represents an opportunity to establish a new retail focus in the City Centre particularly if a high quality operator can be identified. Additional work is underway, led by the City Centre Management Company, to investigate the future additional potential of the main retail core in the medium to longer term in the light of an analysis of current and likely future retail needs nationally and internationally.

3.28 The majority of City Centre residents are accessing facilities outside of the City Centre for their main food shopping therefore the development of a new superstore in or close to the City Centre would help to support the identified need. In terms of locations, City Centre sites will be difficult to assemble but there may be scope for the redevelopment of the Central Retail Park to incorporate food retailing. This is a strategic location and would also support the considerable amount of residential development currently taking place in New Islington and the Rochdale Canal Basin.

Local Centres

3.29 Local centres will continue to provide an important focus for very local needs. In retailing terms they will provide facilities generally for top-up shopping rather than facilities offering a full range of goods and services. As with the larger centres there will be a need for a degree of specialisation and diversification of local centres if they are to avoid the trends described earlier in this report. Local centres that have successfully adapted and developed more specialised roles include Beech Road and Burton Road local centres. In terms of food shopping a developing trend is for retailers such as Lidl, Netto and Aldi that operate smaller format stores to be located in the smaller district and local centres. They generally offer a smaller range of high quality food products but can help to support local centres that currently suffer from a poor range of retailers.

Developing New Centres

3.30 Certain areas of the City are experiencing significant amount of new development, in some circumstances there may be a need to incorporate new retail facilities. For example in South Manchester the potential for a new local centre in the Ardwick area has been identified. Great care is required in developing new centres, particularly smaller local centres, to make sure they have long-term viability and would clearly fill a gap in provision.

Citywide issues

3.31 There are many general issues that affect a number of the centres in Manchester covering: the general environment and streetscape issues, vacant units, anti-social behaviour and car parking. It is not the intention to deal with these in detail in this report other than to state that there is a need for citywide co-ordination in general dealing with these and other problems common to many centres.

3.32 In terms of halting the trend of a shrinking local and independent traders sector it is difficult to identify one specific way in which the Council can actively encourage, support and nurture local traders. However, there may be areas that can be investigated, schemes that refurbish and modernise smaller shop units may help to provide better quality premises for existing traders or new businesses. The experience gained through the modernisation of units and shop fronts along Princess Road and Stockport Road, Levenshulme may help develop other schemes in centres such as Openshaw and Cheetham Hill that have poor quality and high levels of vacant units. In addition through development strategies the Council can encourage provision for these types of traders and support opportunities for independent retailers in specific regeneration schemes.

3.33 Discussions with successful independent traders may also elicit individual experiences and how the Council could help to support the growth of smaller businesses further. The Council may also be able to develop easily accessible advice on starting up a business as well as a property search facility. Additionally, the Council is also engaged with the Centre for Local Economic Strategies in work they are undertaking on Community Food projects and the potential for future work to investigate local independent traders.

3.34 In terms of centres that have already developed or are beginning to develop a specialist role the City Council could develop a centre management approach, help to set up local traders groups and prepare joint promotion of centres and events such as specialist markets where this is deemed to be appropriate. It could also engage land and property owners to bring their premises and land into a more productive use where there are issues with vacancies, dereliction or generally poor quality floorspace.

4. Conclusion

4.1 Whilst there is some identified capacity to plan for additional retail facilities in certain areas of the city, for the majority of centres any strategy or policies developed as part of the Local Development Framework will need to address the implications of national trends particularly in retailing. The biggest challenge will be to ensure centres remain viable through the promotion of a range of different uses including food and drink establishments as well as supporting centres that develop or have developed specialist roles.

4.2 Centres play an important role within their wider local community areas providing access to local services and facilities and as areas of social interaction. Where there is scope for additional development for uses such as retailing this should in the first instance be directed to within centres.

4.3 Much of the capacity identified within the study will be generated in the medium to long term this will allow the City Council, where there are opportunities, to develop its policy framework for individual centres. The City Council is already engaged with the private sector in developing a number of schemes in centres to provide modern and up to date floorspace. The challenge is to ensure that a proportion of any new floorspace is made available or is occupied by local businesses and traders to enhance distinctiveness.

4.4 The intention is that as part of the development of the Core Strategy a range of options will be developed for Manchester's Centres building upon this report, the Strategic Regeneration Frameworks together with local plans and the studies undertaken to date. Some further investigation is required on the practicalities of delivery of some of the findings and the role the City Council will play in supporting the roles and functions of Manchester's centres.

5. Implications for Key Council Policies

5.1 Providing a policy framework for Manchester's Centres will support the provision of services and facilities in line with the Council's equal opportunities policy. It will contribute to sustainable communities within the City and therefore, also support anti-poverty, employment and environmental policies.