Manchester City Council Planning Policy Statement 4 – Planning for Sustainable Economic Growth Compliance Statement

Introduction

This paper sets out the approach to site selection for town centre employment uses in the Core Strategy, as defined in PPS4. Preparation of the Core Strategy has followed the requirements of PPS4 and sought to locate offices within centres first, followed by edge of centre and finally out of centre, also ensuring that there is not significant detrimental impact on centres.

The approach to locating offices has been informed by an evidence base : Economic and Employment Land Study, GMFM 2008, 2009 and 2010, various regeneration frameworks, monitoring data and interviews with key stakeholders.

National Policy

Offices are a main town centre use within PPS4 and are part of achieving the Government's objective to focus new economic growth in town centres.

PPS4 EC1.2 states when gathering evidence "have regard to the need for major town centre development of regional or sub-regional importance and to the capacity and accessibility of centres. When assessing the need for new office development, take account of forecast future employment levels and assess the physical capacity of centres to accommodate regionally significant new office development, reflecting the role of such centres in the hierarchy".

PPS4 identifies ways to plan for sustainable economic growth (EC2) by: identifying priority areas with high levels of deprivation and needing regeneration; reflect the requirements of businesses including a locally available workforce; and locate offices which generate lots of transport movements in accessible locations, avoiding congestion.

PPS4 seeks to ensure a range of sites are identified to accommodate different business models. It states local planning authorities should:

- base their approach on the identified need for development
- identify the appropriate scale of development, ensuring that the scale of the sites identified and the level of travel they generate, are in keeping with the role and function of the centre within the hierarchy of centres and the catchment served
- apply the sequential approach to site selection
- assess the impact of sites on existing centres
- consider the degree to which other considerations such as any physical regeneration benefits of developing on previously-developed sites, employment opportunities, increased investment in an area or social inclusion, may be material to the choice of appropriate locations for development

PPS4 EC5.2 states sites for offices should be identified by following a sequential approach with town centres being first, followed by edge of centre sites that are or will be well connected to the centre and finally out of centre sites that are accessible by a choice of transport and are closest to the centre and are likely to form links with the centre. The Planning for Town Centres practice guidance states :

> "*The sequential approach is intended to achieve two important policy objectives:*
> *• First, the assumption underpinning the policy is that town centre sites (or failing that well connected edge of centre sites) are likely to be the most readily accessible locations by alternative means of transport and will be centrally placed to the catchments established centres serve, thereby reducing the need to travel.*
> *• The second, related objective is to seek to accommodate main town centre uses in locations where customers are able to undertake linked trips in order to provide for improved consumer choice and competition. In this way, the benefits of the new development will serve to reinforce the vitality and viability of the existing centre.*

Planning for Town Centre practice guidance states that whilst the sequential approach applies to all main town centre uses, local planning authorities should consider the relative priorities and needs of different main town centre uses, particularly recognising their differing operational and market requirements. For example, a town centre office development will serve a different function and market compared to a business park.

All sites identified should be suitable, available and viable. More information on whether a site is suitable, available and viable is set out in Planning for Town Centres: Practice Guidance on Need, Impact and the Sequential Test. This states:

i) Availability

> "*A site is considered available for development, when, on the best information available, there is confidence that there are no insurmountable legal or ownership problems, such as multiple ownerships, ransom strips, tenancies or operational requirements of landowners. Two related points include:*
> *• Whether there are any key policy pre-conditions to bringing forward the site, for example through allocation in the LDF, and if so the timescales and progress made towards meeting them.*
> *• The ownership of the site, and any evidence of whether the owner(s) of the site appear willing to bring forward the site for development in question within a reasonable timescale (or alternatively the progress made by the authority on site assembly through compulsory purchase where relevant)."*

Suitability

> • "*Policy restrictions – such as designations, protected areas, existing planning policy and corporate, or community strategy policy.*
> *• Physical problems or limitations – such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination.*
> *• Potential impacts – including effects on landscape features and conservation.*

• The environmental conditions – which would be experienced by potential users of the proposal.”

iii) Viability

“• *Market factors – such as adjacent uses, economic return of existing, proposed and alternative uses in terms of land values, attractiveness of the locality and level of potential market demand.*
Cost factors – including site preparation costs relating to any physical constraints, any exceptional works necessary, relevant planning standards or obligations, prospect of funding or investment to address identified constraints or assist development; and
• Delivery factors – including the developer’s own phasing, the realistic build-out rates on larger sites (including likely earliest and latest start and completion dates), s106 costs, whether there is a single developer or several developers and their size and capacity etc.”

Planning in Town Centre guidance acknowledges that complex town centre sites can take 10-15 years to bring forward or even longer in some cases. Local planning authorities should identify sites that are (or are likely to become) available by adopting proactive approaches.

Paragraph EC5.4 in PPS4 also requires local planning authorities to consider the impact of policies on existing centres, and be satisfied that there are no significant detrimental impacts.

Local Context

Manchester is the economic driver of the City Region largely due to the location of key assets within the City authority area. These include the regional centre, world class universities, knowledge economy, strong financial and professional services sector, clusters of hospitals, Manchester Airport, a high representation of the growth sectors, good road accessibility, access to a wide and skilled labour force. It provides the highest proportion of jobs in Greater Manchester and forecasts indicate that during the life of the Core Strategy growth will be disproportionately higher in Manchester than in other Greater Manchester authorities. Manchester also has twice the number of B use class employment premises and 50% more floorspace than any other Greater Manchester authority. It is the largest economy in the region.

Within Greater Manchester, the geographical concentration of employment is located within the City of Manchester. It is estimated that approximately 363,000 people work in Manchester, of which, 267,500 people commute into Manchester from other Greater Manchester authorities and outside Greater Manchester. Within a 30 mile catchment area from the City Centre there is a population of over 6 million[1]. Within the City itself over a third of all employees are located in the City Centre and approximately 40% in the Regional Centre, followed by a second cluster at Manchester Airport.

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[1] Manchester Economic Factsheet 14

Within the Regional Centre there is a significant concentration of high technology manufacturing and knowledge based services related to Manchester's hospitals and universities particularly within the Corridor and University Hospital South Manchester. In recent years the most significant sector in Manchester has been financial and business services with nearly a quarter of all employees in the City, this is above the national average. Financial and businesses services tend to locate in the Regional Centre with a significant concentration in Spinningfields and the City Centre Core. The number of jobs in this sector is forecast to increase and it will remain the largest sector in terms of jobs. Other economic development uses such as retail, tourism and cultural facilities provide significant employment and contribute to the quality of life on offer in the City Centre and Regional Centre.

The benefits of physical proximity between firms and high levels of economic activity are known as agglomeration economies and this leads to increases in productivity. Agglomeration generally occurs at the City Region level and is strongest in locations where firms choose to locate and this is often influenced by access to skilled employees and a transport network that meets the needs of firms and workers. A characteristic of a high performing agglomeration economy is the presence of top class universities, such as the University of Manchester and Manchester Metropolitan University. Evidence of agglomeration is strongest in the Regional Centre (specifically, the City Centre, Eastlands) and Manchester Airport. The unique set of economic circumstances within the City of Manchester provides opportunities for large scale economic development not offered elsewhere in Greater Manchester. This should be planned to deliver the widest benefits for future economic growth, regeneration and social inclusion.

The economic role of the Regional Centre and Manchester Airport as drivers of growth for the City Region is also one of improving access to employment for communities experiencing some of the highest levels of deprivation in England. Barriers to accessing employment in the City are two fold, transport and skills. Many of the communities with the highest rates of economic inactivity and unemployment are adjacent to areas of economic opportunity.

The City is home to nearly 500,000 people living in a range of neighbourhoods. These are served by district centres which are the focus for local services, retail and employment for these neighbourhoods. It is important that these district centres flourish and remain the focus of their neighbourhoods. These centres will not be the focus for regional scale employment provision but do serve an important local role which should be supported by provision of local employment.

The City has 5 regeneration areas which cover the whole City.

City Centre- the economic focus of the City Region and surrounded by deprived communities. Ensuring access to employment growth for local economically inactive residents is a priority alongside increasing labour market connectivity to highly skilled employees.

North Manchester – abuts the City Centre and has major employment opportunities in Strangeways and Collyhurst, particularly the City Centre fringe areas. It experiences high rates of worklessness. Access to job opportunities through physical improvements to connectivity and improvement in skills levels is critical.

East Manchester – is located to the east of the City Centre. It is a mixed use area which has been the focus for intense regeneration since 2000. It is an area with high rates of worklessness but also opportunities provided by Central Park and Eastlands.

Central Manchester – located to the south of the City Centre, experiences high levels of worklessness. It is characterised by concentrations of residential neighbourhoods adjacent to the City Centre and The Corridor Manchester.

South Manchester – is a largely residential area with few opportunities for substantial economic development. It is a popular residential area and key to retaining highly skilled residents within the City.

Wythenshawe – the southern most part of the City. It experiences high level of deprivation and economic opportunities exist linked to the expansion of Manchester Airport and UHSM.

Demand

An Economic and Employment Land Study (EELS) was commissioned by the City Council to identify demand and supply for employment space during the plan period, this was completed May 2010. Two methods of estimating demand were used: past take up projected forward and forecasting employment growth in the main B class sectors. The City Council along with all the other Greater Manchester authorities has had annual updates of forecasts since 2007 from the Greater Manchester Forecasting Model (GMFM) designed and managed by Oxford Economics.

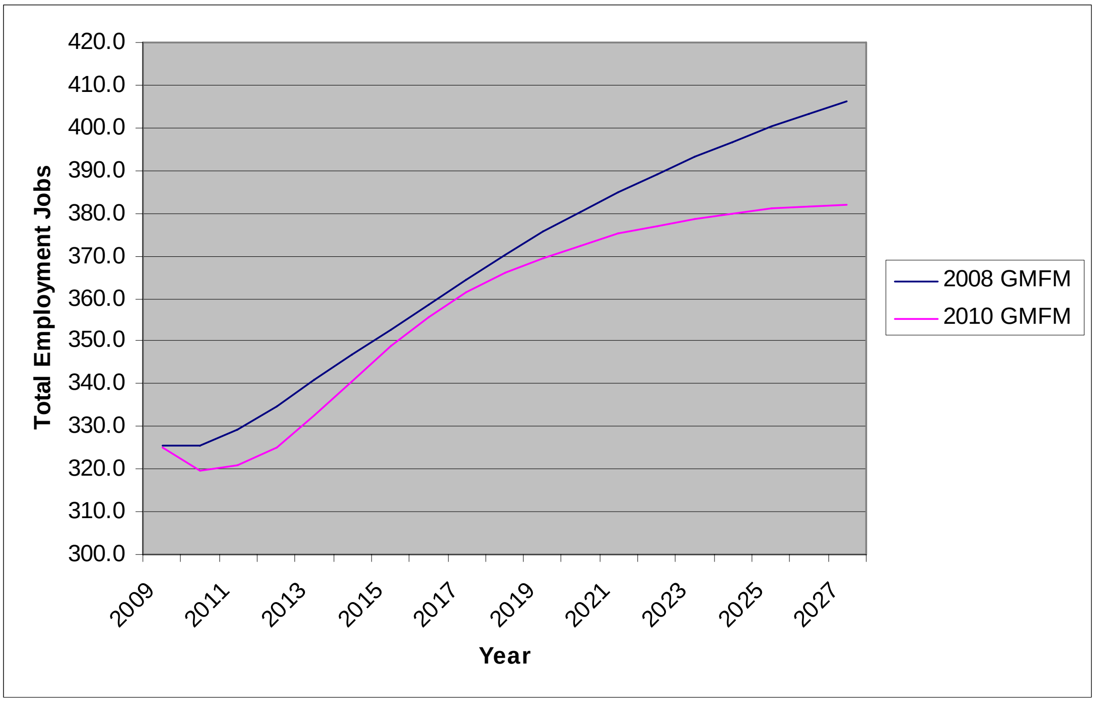
The study examined three scenarios, GMFM (2007), produced at the top of the market; GMFM (2008) reflecting the move towards recession; and GMFM (2009) (bespoke interim model) demonstrating the deepening economic recession, and therefore represents projected growth for Manchester at the bottom of the market. It was felt that the GMFM (2007) was no longer realistic due to the economic downturn. The GMFM (2009) modelled during the recession was believed to be a more pessimistic forecast. The GMFM (2008), undertaken as the World economic position slowed down, forecast lower growth than the 2007 GMFM but higher growth than the 2009 GMFM and was considered a more realistic forecast. The caveat with all models is they are trends, not absolute forecasts of growth. The City Council will review the position year on year as new forecasts are produced. The Table below shows all the forecasts, including the 2010 GMFM produced after the EELS was finalised.

		Demand Projections (ha)				
		GMFM (2007)	GMFM (2008)	GMFM (2009)	GMFM (2010)	Past Take Up Rates
Gross projections 2008-2027 incorporating 20% Flexibility Factor	B1 (General)	110.7	116.7	78.1	68.12	77.4
	B1 (City Centre)	26.0	23.7	19.6	25.5	47.7
	B1b/c/B2	6.6	9.1	7.0	8.1	76.9
	B8	68.1	37.6	35.1	33.17	47.3
	Total	211.4	187.2	139.9	134.89	249.3

Forecast Requirement with Landless Growth Assumed

The modelling work indicated that future job growth projections for Manchester City are very strong in the medium to long term. The City chose not to use the past take up rates as it was felt these were achieved during a period of sustained economic growth and continued economic transition from manufacturing to service industries and they were innately inaccurate over the lifetime of the plan.

The level of job growth forecast for each of the scenarios reflects the point at which they were undertaken: GMFM (2007) is significantly higher than the recession based scenarios. GMFM (2007) projects that Manchester will experience a net rise of almost 92,000 jobs over the period, which equates to a 29% increase. A net increase of 71,000 jobs is forecast by GMFM (2008), which represents a growth rate of 23%. The lowest level of growth is projected to occur under GMFM (2009) and (2010), with a net increase of 49,000 jobs (16% growth) and 49,200 jobs respectively. The Figure below shows job growth forecasts for the 2008 and 2010 GMFM. This shows in the short term growth in job numbers is expected to either remain stable or decline.



As can be seen the majority of jobs and employment space in the City is expected to be driven by demand for B1 (office) sites and premises.

The Tables below are based on the 2008 and 2010 GMFM break down of employees by sector in Manchester between 2009 to 2027. The EELS made a number of assumptions to the job forecasts in GMFM to remove those that didn't fall into the B classes, this can be seen in the report, chapter 8. The Table below shows the number of jobs under each forecast broken down into the B1 offices class, with the forecast of employment space. This is based on standard plot ratios and employment densities (see Chapter 8 of EELS for more detail). The GMFM does not forecast jobs within offices ancillary to a prime use.

The most significant sector in terms of B1 employment is business services. It is currently the largest employer in the City and is forecast to continue in this role and grow. Largely due to the expertise found in the City and the demand for business services from across the world where these skills are not as yet established. It is assumed 54% of all business service jobs will locate in the City Centre. This is a measure of only one sector within the City Centre. It shows that the 2010 GMFM forecasts shows a smaller increase in the number of employees within the City.

2008 GMFM

		2008	2027	Total Increase
B1	Business services	70.9	107.0	36.1
	Financial intermediation	22	20.6	-1.4
	Public administration & defence	15.8	16.2	0.4
	Total	307.3	377.3	70

2010 GMFM

		2008	2027	Total Increase
B1	Business services	70.5	102.0	31.5
	Financial intermediation	25.7	22.6	-3.1
	Public administration & defence	20.2	16.4	-3.8
	Total employees	305.9	355.1	49.2

Job Growth by Total B1 Employment 2008-2027 (gross figure plus 20%)

Years	2008 GMFM	2008 Land Requirement B1 ha	2010 GMFM	2010 Land Requirement B1 ha
2008-2015	9000	(Town) 12.5 (General) 29.5	6600	(Town) 9.9 (General) 22.2
2015-2020	14050	(Town) 13.6 (General) 41	12300	(Town) 11.7 (General) 35.8
2020-2027	12750	(Town) 14.8 (General) 39	5400	(Town) 9.1 (General) 19
To 2027	35800	140*	24300	97.7*

* landless growth of 10ha taken into consideration

Supply

The City Council is seeking to provide 200ha (gross) of Employment Land within the City by 2027. Using the GMFM as a guide the proportion of B1 is expected to be 140ha. Completion of offices 2009/10 totals approximately 2ha requiring 138 ha.

Within the City the most suitable location for major office growth in terms of agglomeration, ability to attract inward investment, accessibility by a choice of transport, labour market supply, role of the centre for regionally/ sub-regionally significant office employment and compatibility with PPS4 is the City Centre. The Economic and Employment Land Study identified 77ha of potential and committed land supply within the City Centre with nearly all the sites assessed as good and none assessed as poor. In the last 5 years nearly 250,000m² of office floorspace has been provided within the City Centre

Within the City Centre there are a number of areas identified for growth over the plan period. These include:

- Mayfield
- First Street
- Great Jackson Street
- Civic Quarter
- Spinningfields
- The Corridor (excluding Great Jackson Street and First Street

Within the City Centre major regeneration schemes take on average 15-25 years from the point of inception to completion. Spinningfields is one of the most advanced schemes with its inception 15 years ago and it is still expected to have another 7 years before completion.

The economic downturn has affected the timescales for delivering City Centre sites, particularly within the short term. A number of schemes are currently being reviewed, namely Great Jackson Street and First Street. Developers are facing problems borrowing against speculative development meaning pre-lets are all that are being built. The following is an appraisal of each of the schemes in terms of whether they are available, suitable and viable.

<u>Mayfield</u>

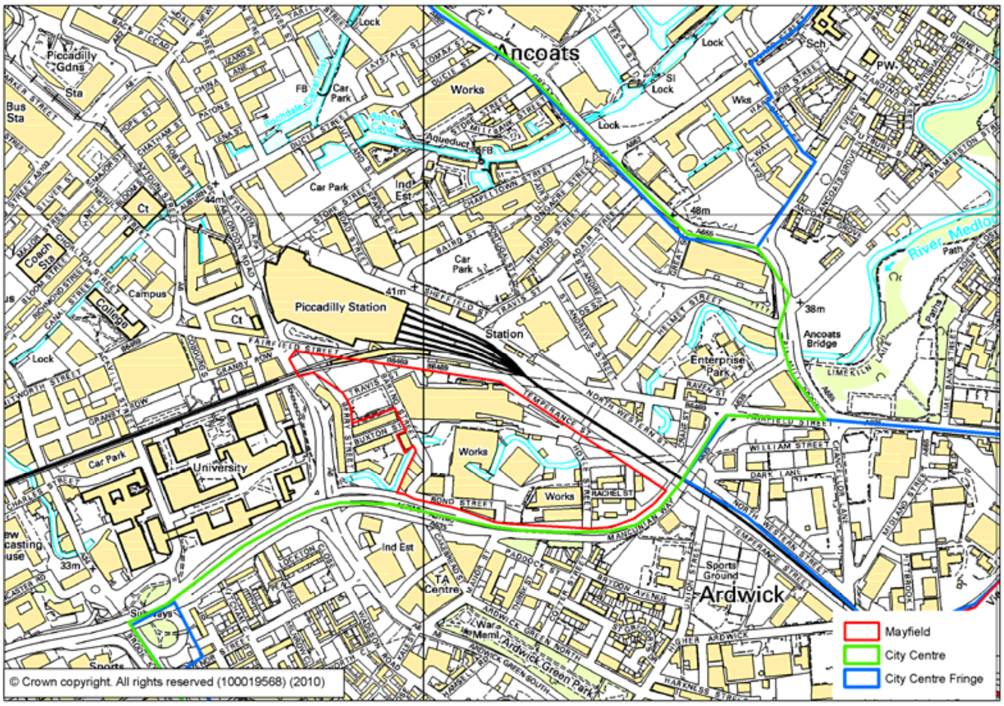
Mayfield is intended to be a Civil Service Campus providing 5,000 civil service jobs drawn from the South East and Greater Manchester. The aim is to re-use the vacant Mayfield Station adjacent to Piccadilly. It is a 9ha site, largely obsolete and underused. The southern part of the site is identified for speculative office development, providing approximately 150,000m².

Deliverability will be affected by constraints on the site including permeability and visibility of the site from Piccadilly due to the railway viaduct and substation. Also the potential network rail zone of expansion for Piccadilly Station means a large portion of the northern section of the site along Fairfield

Street is potentially blighted from redevelopment. Also part of the site is identified as being in a flood risk zone 3a area (1 in 100 year).

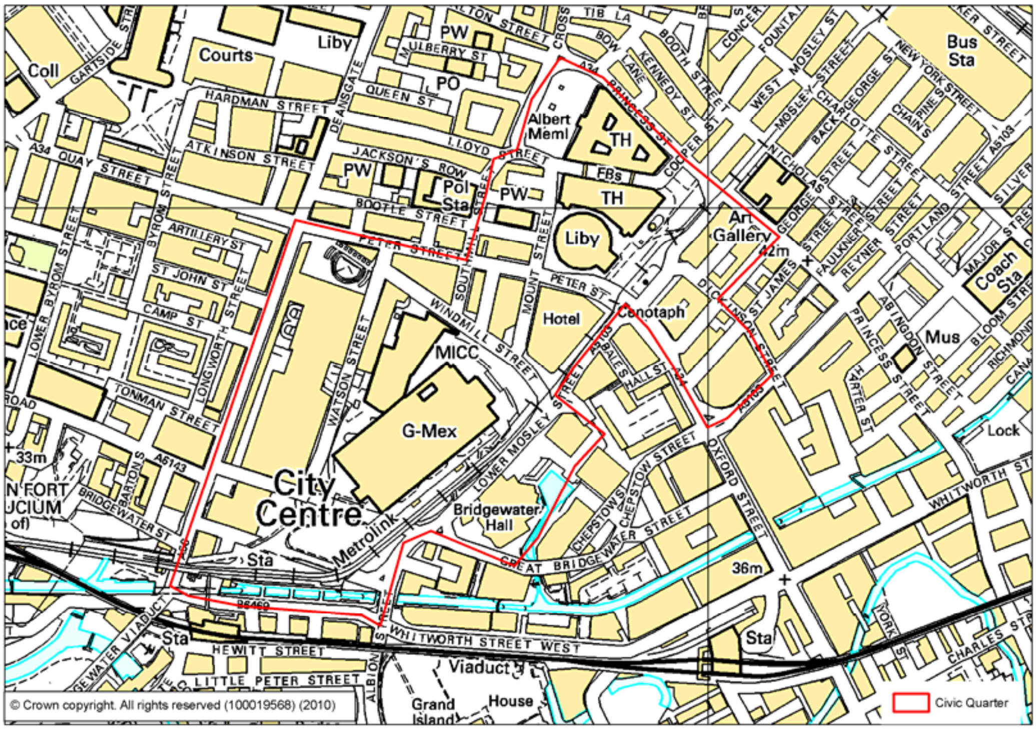
The site is in a number of different ownerships. The northern section is largely in public ownership and the southern in private. The owners of the northern half of the site are keen to bring the site forward. The Mayfield Strategic Regeneration Framework acknowledges the southern half of the site is uncertain due to ownerships and the current market conditions and that a timeframe for this area is difficult to estimate.

Based on the above information it seems reasonable to assume that 50% of the site will come forward during the plan period.



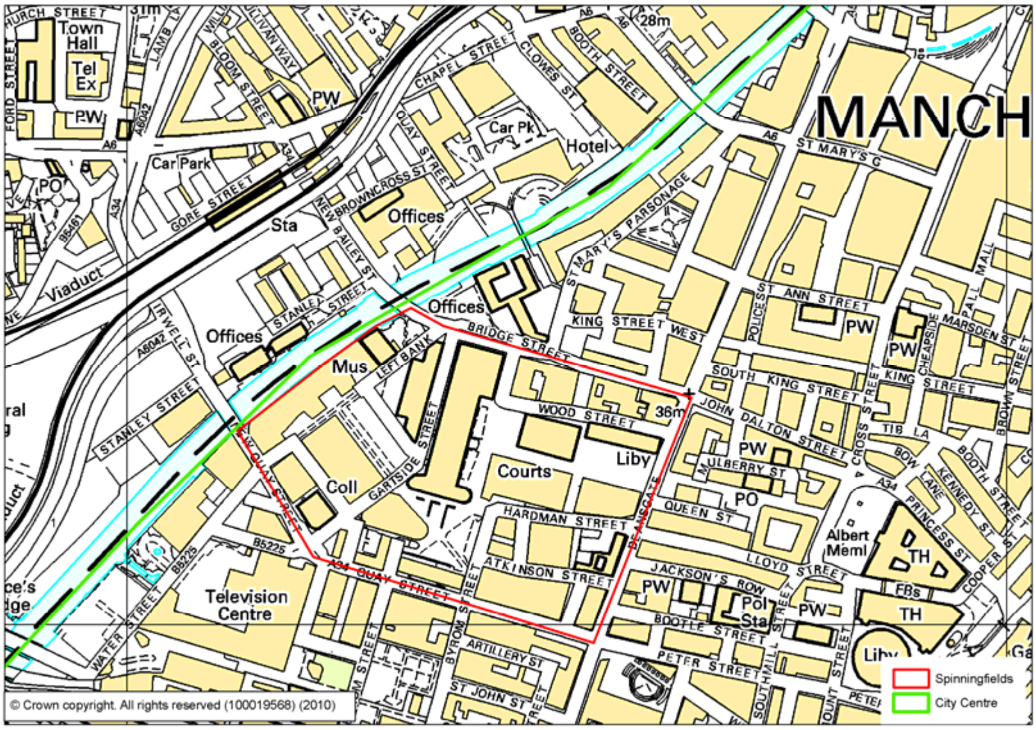
<u>Civic Quarter</u>

Civic Quarter Regeneration Framework covers an area in the heart of the City Centre and includes the Town Hall, Central Library, GMEX, Elizabeth House, the former Odeon cinema, Great Northern Warehouse, Albert Square and Peter Square. The Civic Quarter is identified as the next phase of growth in the City Centre. The public sector will be leading a number of major schemes including the refurbishment of the Town Hall. The private sector will deliver 8 new office buildings. Office provision in the area will increase from 42,602m² to 177000m². The Civic Quarter framework area provides the natural extension to the existing commercial areas, allowing the City Centre to expand south and eastwards. Delivery is expected over 5 to 10 years. It can be assumed that this area will be developed within the plan period.



<u>Spinningfields</u>

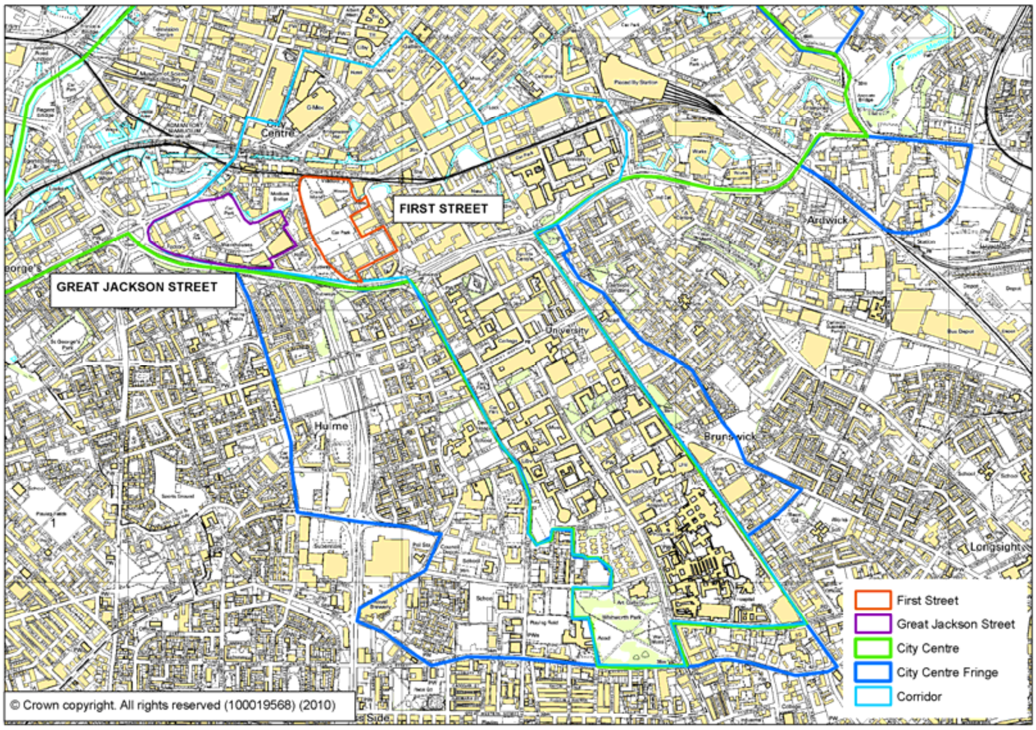
Spinningfields covers a 12ha site. It is a key location for high value financial and professional services within the Regional Centre, offering high quality premises with large floorplates. Spinningfields is the first major expansion of the City Centre's office market in the last decade and is nearing completion and now provides about 250,000m² office development. The scheme began in 1995 when a shortage of large floorplate office accommodation was identified. It is now expected to be completed in another 7 years, illustrating the delivery period for comprehensive development projects in the City Centre. It was also developed during a period of sustained economic growth which is not the starting point for current development projects. Based on the above it can be assumed that the remaining elements of Spinningfields will be completed during the plan period.



The Corridor

The Corridor extends to a total area of 240ha. Oxford Road runs down the middle of the area from north/south. The area is characterised by the big institutions of University of Manchester, Central Manchester and Manchester Children's University Hospital Trust. In recent years the Corridor has benefited from over £1billion of investment to redevelop existing facilities and build new ones. The area is identified as a Strategic Regional Site and has been able to access wider funding sources, both regional and European. Alongside the redevelopment of these institutions the Strategic Regeneration Framework sought to deliver research and development opportunities leading to significant job growth. In the last couple of years development progress has slowed in this element of the framework whilst the big capital programmes by the universities and hospital have continued. This is in part due to the economic downturn which has resulted in no speculative office development but also the major institutions focusing on their capital programmes.

In the next few years projects are expected to commence which will increase the space for life sciences and health care research and development, start-up businesses and the digital and media sector. Employment sites within the Corridor include Great Jackson Street and First Street but also small sites including the BBC building and Manchester Science Park. Employment potential excluding Great Jackson Street and First Street totals 133,200m² on 5.94ha. A report prepared for the Corridor Partnership in 2009 took into account the changing economic circumstances and estimated employment growth was unlikely to exceed 7,500m² per annum between 2009-2014 and 10,000m² per annum thereafter, giving a total floorspace for the whole Corridor including Great Jackson Street and First Street of 167,000m². This paper will use this figure for the Plan period.



First Street

The First Street Development Framework aims to deliver the transformation of an underperforming part of the City Centre, south of the Whitworth Street, to the east of Albion Street/Medlock Street and north of the Mancunian Way, into an economically successful new gateway to the City Centre with a mix of uses, creating an expansion of the City Centre. It is an 8 ha site seeking to appeal to a wide range of user groups by promoting a range of building sizes, floorplates and tenures. The delivery timescale for the area is currently 10 years but this may alter due to the review of this area. Whilst it is acknowledged the development market is weak it is felt that in the medium term First Street will help the City to take advantage of opportunities in the City as they arise. The office element of the project is 118,858 m^2 of which One First Street has been constructed. There is a potential need for CPO to acquire additional land to deliver the full potential; of the framework. It is expected, however, that this land will be acquired without the use of CPO powers.

Great Jackson Street

Great Jackson Street Draft Development Framework states the aim of the area is to create a mixed use urban quarter. It is located within the South West of the City Centre. It is approximately 8ha and bounded by Chester Road and the River Medlock to the north and west, and Mancunian Way to the South. It is a largely underused area with vacant sites and premises. It is in mixed private ownership. The area is identified as having potential in the medium/long term for large floor plate office development to meet the needs of knowledge based industries. Delivery may change as this area is undergoing a review. The framework has a built in 20% flexibility such that

20% of floorspace can be an alternative use. The total amount of office floorspace envisaged within the framework is 135,681m².

Summary

The Table, set out below is based on information from the Mayfield Strategic Regeneration Framework 2010, First Street Masterplan Executive Report October 2008, Great Jackson Street Draft Development Framework 2007, Civic Quarter – Manchester Central Regeneration Framework October 2009, The Corridor Spatial and Development Framework March 2009 and based on discussions with City Centre Regeneration Team.

Area	Area (ha)	Floorspace m²	Plan Period	Delivery	Timescale
Civic Quarter	7* (21)	134398 (42602)	134398	Public/ Private	Short/ Medium/ Long Term
Spinningfields	2 (12)	165,000 (250000)	165,000	Allied London	Medium Term
Mayfield	8	150,000	75,000	CPO Public/Private Sector	1st Phase 10 yrs and completion beyond Plan Period
The Corridor Manchester					
First Street	8	102742 (16258)		Private Sector	Reviewed - next phase 5 yrs plus
Great Jackson Street	5	135,681		Private Sector	Reviewed Long term
The Corridor (excl Jackson St & 1st St)	6	133,200		Public/Private	Short/ Medium/ Long Term and post plan period
	8 (19)	371623	167000		
	25	821021	541398		

* Civic Quarter is a mixed use area calculated area based on 20000m² per 1ha and Offices totalling 38% of floorspace as stated in Civic Quarter Regeneration Framework

Based on an assumption of 19sqm per employee 541,398m² results in 28,494 jobs in the City Centre. The EELS estimates 18,228 jobs in B1 town centre during the plan period, however this was based on the B1 town centre proportion of 2008 GMFM forecast and not the gross figure plus 20% flexibility which is being used by the City Council. This figure is based on the reference scenario in GMFM and not an optimistic scenario which takes into account regeneration activity.

The Table shows regeneration areas within the City Centre which have developed regeneration strategies. There are other areas in the City Centre expected to deliver substantial development during the Plan period including the Granada lands, City Centre North and potentially parts of Piccadilly, the Northern Quarter and the Eastern Gateway area north of Mayfields Goods Station. Piccadilly has been the focus of regeneration since the 1990's and future regeneration in this area will focus on Piccadilly Place and the development of the Former Fire Station on London Road and is expected to deliver 140,000m².

Using completions of office development over the last 5 years as an indication of total employment potential the City Centre could accommodate approximately 750,000m² of development. Taking into account the changing economic climate and the restrictions on lending money to development proposals, it can be assumed that less development will come forward. A total of 700,000m² seems a realistic figure, requiring an additional 8 hectares, resulting in **33ha of employment land in the City Centre**.

City Centre Fringe

The City Centre fringe has benefited from the successful growth and development of the City Centre over the last 15 years. The type of sectors/ businesses in the City Centre choose this location due to the ease of accessing a skilled labour supply, the range of business accommodation offered and the competitive advantage gained from being close to the wider supply chain and innovation development offered by the universities. Some businesses want the benefits of a City Centre location but are more cost sensitive and the City Fringe offers opportunities for City Centre office accommodation close to the benefits of the City Centre but at a lower cost. The Table below sets out the schemes which either have a planning permission, masterplan or development frameworks prepared.

City Centre Fringe* (edge of centre)				
Co-op	1.54 (8)	32,000	Private	Building Commenced and expected completion 2012
Strangeways City Fringe Boddingtons	2.3 (7.4)	46,450	Private/Public	Medium/Long term
Ancoats	2.25 (20)	45,000	Mixed use NWDA/Private	Medium /Long Term
New Islington	0.3 (12)	6,490	Mixed use housing led NWDA/ Private	Medium /Long Term
Chancellors Place	5 (38)	98931	Mixed use	
City Centre Fringe	12	228871		

*For this exercise similar densities to City Centre have been used but it is expected these may be lower.

The City Centre Fringe is undergoing transformational change in parts, namely, Collyhusrt (co-op), Strangeways (Boddingtons), Ancoats, New Islington and Chancellors Place. During the Plan period it is expected there will be a number of sites which offer employment opportunities on the City Centre fringe, which are not listed above, namely, the Techno Park/ Birley Fields linked to the new Manchester Metropolitan Campus. In addition the Strangeways and Collyhurst City Centre fringe areas are likely to offer potential during the Plan period for further office development. An assumption can also be made that the City Centre Fringe may have lower densities than the 20,000m² per hectare used in the City Centre. The schemes set out in the City Centre fringe table have used this ratio as they have either reflected this ratio in planning applications or been part of a mixed use scheme and had no site size assigned. It can be assumed that over the plan period lower densities are likely. Therefore for the purposes of this paper it has been assumed that the **City Centre Fringe will deliver 25ha** of employment space.

Within the City Centre and City Centre fringe it has been estimated that 58 hectares of land is available, suitable and viable for development.

District Centres

Manchester has no designated town centres within the centres hierarchy, the City Centre is followed by district centres. The City has 17 district centres. These are suitable for local employment provision and small businesses, often as part of mixed use schemes. The Economic and Employment Land Study identified 26 ha of employment land in district centres. Nearly all of these sites are expected to come forward as part of mixed use schemes with a priority for delivering retail and local services. Some stand alone offices may occur in Wythenshawe but it is not expected anywhere else. An assumption has been made that 4ha of employment land will come forward within the district centres over the life time of the Plan. **That leaves 76 hectares of land to be identified**.

Outside of the City Centre and District Centre

62ha of employment provision has been identified in centres, leaving 76ha to be identified in out of centre locations.

Outside of the City Centre and district centre, sites have been examined against the principles in PPS4 for offices in out of centre sites:

- Within identified priority areas with high levels of deprivation and needing regeneration (EC5.1e & EC5.3)
- Meets the needs of businesses including a locally available workforce (EC2.1 d, EC5.1)
- Locates offices which generate lots of transport movements in accessible locations avoiding congestion (EC5.2)
- Can form links with a centre creating linked trips. (EC5.2)

The identification of sites has been mindful of guidance for Town Centres which states:

> *6.8 Where locations in existing centres or edge of centre locations are not available, preference should be given to out of centre sites well served by a choice of means of transport, which are close to a centre and have a higher likelihood of forming links with a centre.*" Planning for Town Centres practice guidance

Regional Centre

Whilst not being within the centre hierarchy, Greater Manchester has a Regional Centre which includes parts of Manchester, Salford and Trafford. The Regional Centre includes the largest concentration of economic activity in the Manchester City Region, including the City Centre and adjacent areas. The principles which have led to the definition of the Regional Centre were established in the Northern Way and the Manchester City Region Development Programme, and reaffirmed in subsequent policy. The advantages in terms of productivity that derive from spatial proximity are described as agglomeration and are considered to be strongest in the Regional Centre.

The Regional Centre is made up of mixed use neighbourhoods, some with considerable amounts of employment provision. Unlike the City Centre, there is a greater mix of employment uses benefitting from larger plots for distribution, warehousing, manufacturing as well as office development. It is characterised by concentrations of employment provision and benefits from access to a wide pool of skilled and semi skilled labour. The transport network focuses on the City Centre, including national networks, such as trunk roads and heavy rail lines, alongside public transport provision. The transport network links the neighbourhoods within the Regional Centre to the City Centre, all contributing to making the wider regional centre an attractive area for inward investment.

Located within the Regional Centre are Central Park and Eastlands. The following is an assessment of their availability, suitability and viability.

Central Park

This site was identified in the EELS as a good site having potential for 98 hectares during the Plan period. It is a business park offering accommodation and premises for offices, industrial and warehousing. It offers the potential for a range of accommodation types from low to high density, varying floor-plate sizes and small to large scale business accommodation. The type of employment encouraged is within the growth sectors and knowledge based industries. It can accommodate training and incubator facilities and spin-off businesses associated with the higher education sector. It is located within the East Manchester regeneration area close to deprived communities and has a training facility on site to encourage businesses on Centre Park and local people to find a skills match. It is a very accessible location with good public transport and sustainable transport links to the City Centre and these will be further improved with the proposed Metrolink line from the City Centre to Rochdale. It is also within close proximity to Harpurhey and Eastlands District Centres, further encouraging linked trips.

Central Park is a business park, and is allocated as a business park in the current UDP. It is considered to offer a campus style development opportunity, which complements the City Centre office market whilst not competing. It is expected to accommodate businesses in growth sectors that do not want a City Centre location and are more cost sensitive. It is a regional strategic site and supported by regional and national public sector funding. It is a previously developed site and considered a cornerstone to the Regeneration Strategy for East Manchester. A significant amount of remediation work and infrastructure investment has already taken place and been implemented making the site available and suitable for office development.

Central Park could accommodate a significant amount of development. It has been assumed that due to the accessibility of the site in terms of public transport connections to the City Centre and the opportunity for linked trips this is the most suitable out of centre location for offices. Central Park will provide employment for industrial and warehousing and it has therefore been assumed it could accommodate 40 hectares of B1 employment at a ratio of 1hectare = 4000m². Half of this is assumed to be within Central Park North and the remaining half in Central Park South. **This leaves 36 ha of B1 office space to be identified**.

The Economy and Employment Space Study identified a potential range for B2 of 9ha based on GMFM and 77 ha based on past take-up over the Plan period. Central Park is one of the few locations suitable for large scale manufacturing as the majority of the site is not close of residential. It is also supported by significant investment in infrastructure and this will be enhanced further with the metrolink expansion and digital infrastructure. Expanding the manufacturing sector is a national, regional and local priority. To reflect this, the City has identified 20ha of B2 on Central Park. The site currently has an application for a bakery on a 6ha site, illustrating its role in supporting large scale manufacturing.

<u>PPS4 Compliance</u> – the site is considered to be a “good” site in terms of meeting business needs and therefore meets E2.1d and EC5.1. It is within a priority regeneration area and on a previously developed site and constributes to EC5.1e. It is well served by a choice of transport, bus, road, footpaths, canal paths, cycle paths and will be served by Metrolink during the lifetime of the Plan. The transport network integral to this site links to the City Centre, Harpurhey and Eastlands District Centres meeting the requirement of EC5.2c. The site is within a deprived area with its own training facility giving it a high priority in terms of EC5.3.

The development of offices at Central Park is not expected to have any significant impacts on centres. This will be a regionally significant employment location, in terms of scale and overall catchment. Therefore, the type of development would not be appropriate in district centres. It is also likely to be a different type of office use to that which goes to the City Centre. This difference will emerge from the cost of office space available and the potential for offices associated with other employment in Central Park. Locations such as Central Park are important across the Regional Centre to promote agglomeration benefits, and as such development here has potential to have a positive impact on the City's economy, including the strength of the City Centre.

Eastlands

Eastlands lies within East Manchester, the heart of which is the City of Manchester Stadium, the District Centre, the Velodrome but also includes, the Openshaw West site and surrounding environs. It is in excess of 100 hectares and is suitable for a mix of uses including economic development. The wider area has undergone significant remediation and infrastructure investment over the last 15 years. Eastlands is located within the East Manchester regeneration area close to deprived communities. It is a previously developed cluster of sites and its regeneration has transformed the area. This is the next phase of the continued regeneration of this part of East Manchester.

The area is very accessible via public transport and sustainable transport modes from the neighbouring communities but also to the City Centre and this will be further improved with the proposed Metrolink line through Eastlands. The site is adjacent to the Eastlands District Centre and will encourage link trips to this and the City Centre.

The site is being promoted by a developer connected to the Manchester City Football Club and is expected to come forward during the lifetime of the Plan. It is identified for a major visitor attraction of national significance and a location for further sports development, complementing the existing facilities. To support this level of development the proposal is expected to have some ancillary office development. The EELS assessed the Collar Site and the Openshawe West part of the site and considered the sites to be either good or average. An assumption has been made that 5 hectares of development will be provided at a ratio of 1 hectare = 4000m^2. **This leaves 31 ha of B1 office space to be identified**.

PPS4 Compliance – the site is being promoted by a developer interested in the site and has been assessed as "good" and "average" in terms of meeting business needs and therefore meets E2.1d and EC5.1. It is within a priority regeneration area and on a previously developed site and contributes to EC5.1e. It is well served by a choice of transport, bus, road, footpaths, canal paths, cycle paths and will be served by Metrolink during the lifetime of the Plan. The transport network integral to this site links to the City Centre and

Eastlands District Centres meeting the requirement of EC5.2c. The site is within a deprived area giving it a high priority in terms of EC5.3.

The town centre employment development around Eastlands will be closely associated with the sports and leisure uses that define this location. It is specific to this location and therefore unlikely to have an impact on any centres.

Outside of the Regional Centre

The EELS identified Wythenshawe as having 107ha of potential/committed employment land. This is, in part, due to the location of the Airport, the largest concentration of economic activity outside of the City Centre. There are also a cluster of business parks in close proximity to Manchester Airport including Atlas, Concorde and Manchester Business Park. The Wythenshawe Strategic Regeneration Framework identifies an east and west economic development corridor. Within this are the key areas identified for development include Manchester Airport, Airport City and MediParc.

<u>Airport</u>

Expansion of Manchester Airport is being promoted through the Core Strategy to meet the requirements of the Air Transport White Paper. Offices have been identified as necessary to the general operation of the airport for airline companies and operators. Manchester Airport is identified as a Strategic Site within the Core Strategy and the evidence base identified the need for 12 hectares of land within the Strategic Site boundary for offices, hotels and other uses. It is considered that the need for offices for the operational purposes of the airport cannot be located within a centre, it will adversely affect the operational efficiency of the airport. It should not affect the vitality and viability of Wythenshawe District Centre which provides local employment provision serving the local catchment. It is assumed for the purposes of this paper that 5ha will be B1 office development, **leaving 26ha of office space to be identified.**

The Airport is a public transport hub, served by heavy rail, a bus and coach station. There is a high volume of services connecting the Airport to other parts of the City, and there are a number of connections which provide access throughout the day. A proposed Metrolink line extension to the Airport will further increase the connectivity of the Airport to Wythenshawe District Centre, South Manchester and the City Centre. This location also has convenient access to the Strategic Highway Network, and is therefore one of the most accessible locations in the City.

Wythenshawe is one of the most deprived communities in England with pockets showing high levels of economic inactivity. One of the aims of the Airport expansion is to increase access to jobs to local residents of Wythenshawe through training opportunities and improved physical access.

The expansion of the airport is based on national passenger forecasts which stand at 45 million passengers per year by 2030. The need for offices is linked to these forecasts and is therefore expected to be delivered within the Plan period. There is a supply of existing office space within the current Airport Operational Area, and the proposed amendments through the Core Strategy will accommodate additional office requirements alongside other operational uses.

In addition to offices, Manchester Airport accommodates significant amounts of cargo which falls into B8 warehousing and distribution use class. In many cases it helps maintain the viability of passenger services. Approximately 60% of the Airport cargo throughput is carried in the holds of passenger aircraft. The transit sheds and integrator activities using the Airport need to have direct access to the apron. The World Freight Terminal takes up 24ha of the Airports Operational Area. To accommodate expansion of the Airport the World Freight Terminal will be relocated southwards of its current site and an additional 8ha of land is required totalling 32ha, of this 30ha needs to be provided on the site.

PPS4 Compliance – The Airport is a unique location and can only expand at the Airport, therefore meets the requirements of the Airport business and EC5.1 and EC2.1d. It is adjacent to Wythenshawe regeneration area and aims to improve the proportion of local people employed at the Airport meeting the needs of EC5.1e. The airport is a highly accessible location with an extensive network of public transport services providing connections to Wythenshawe and the City Centre, meeting the requirement of EC5.2c. The proposed Metrolink line will improve the links between Wythenshawe District Centre and the City Centre, improving the opportunity for linked trips, meeting the requirement of EC5.2c. The office development within the Airport is required to be necessary for the efficient operation of the Airport, and therefore the potential for impact on other centres is not significant.

Airport City

Development within the Airport's Operational Area is constrained by the need for uses to be essential to the operation of the Airport. Manchester Airport City is seeking to take advantage of the economic development opportunities presented by the Airport, particularly for businesses which want quick and reliable access to the airport. Manchester Airport Group and other development partners are seeking to capture economic growth which would otherwise locate to another airport. Airport City is a broad economic development concept which is expected to attract business dependent on an Airport location and global connectivity. Any proposal will seek to increase the take up of future job creation by the local community. This is particularly important as Wythenshawe is a regeneration priority for the City, and residents can find it difficult to access jobs, particularly those in the Regional Centre.

Airport City is expected to accommodate offices, logistics and distribution, manufacturing and hotels. The core of the Airport City opportunity is a partially greenfield site, supported by existing infrastructure at the Airport and the surrounding area, such as the transport hub at the Airport, the M56 and Ringway Road. It will also benefit from the construction of the proposed Metrolink extension to the Airport. It will need improved connection to the Airport and internal layout. The EELS rates the site as good and it is currently allocated within the Manchester UDP for high technology industries. It should not affect the vitality and viability of Wythenshawe District Centre which provides local employment provision serving the local catchment.

It is believed that there is potential for approximately 75,000m² of offices which could be delivered through the Airport City concept, focused in the early stages on Manchester Business, some of this is expected to fall within B1b research and development and B1c light industrial. It has been assumed 12ha will be within B1 offices and 5ha in B1b/c within the Manchester Business Park site. This **leaves 14ha of office space to be identified.**

PPS4 Compliance – Airport City offers a unique opportunity for business to take advantage of the Airport location meeting the requirements of EC5.1 and EC2.1d. It is adjacent to Wythenshawe regeneration area, an area with high levels of multiple deprivation and any proposal will be expected to actively recruit from the local area, contributing to the areas regeneration and the regeneration of Wythenshawe Town Centre, meeting the needs of EC5.1e and EC5.3. Airport City is adjacent to Manchester Airport which is well served by a public transport hub with strong links to Wythenshawe and the City Centre meeting the requirement of EC5.2c. It will provide the opportunity for linked trips between Airport City, a regionally significant employment opportunity and Wythenshawe District Centre serving the local community, thereby meeting the requirement of EC5.2c.

The Council considers that Airport City will be a unique opportunity for Manchester, with unrivalled potential to attract international investment which seeks globally connected locations. It is expected that Airport City will attract employers which would otherwise locate in another region. Any impacts would not be felt locally, or by other centres. Indeed, there is strong potential for this proposal to stimulate the vitality of Wythenshawe Town Centre.

Medi Park

University Hospital South Manchester has plans to expand its operation, emphasising its role in key health care areas, bio-science and pharmaceuticals. Hospital expansion will include a mix of education and conference facilities, clinical trial labs, fitness/well being centre, offices, an innovation centre, incubator units and a hotel. The offices will be ancillary to the expansion of health facilities on the site and therefore not appropriate to another location.

The site is already well served by public transport and this will be improved further with the extension of the Metrolink line. Nine bus routes serve UHSM and link the site to Wythenshawe and surrounding neighbourhoods, including Wythenshawe District Centre. Infrastructure supports the existing use of the site and expansion may place pressure on the local highways which have been identified as experiencing conflicts between HGV's accessing Roundthorn and emergency vehicles assessing the hospital. It should not affect the vitality and viability of Wythenshawe District Centre which provides local employment provision serving the local catchment.

As already stated Wythenshawe is one of the most deprived communities in England with pockets showing high levels of economic inactivity. The estimated amount of offices is 1.3hectares = 5200m² of offices. **leaving 12ha of office space to be identified.**

PPS4 Compliance – the offices as part of the proposed MediParc are ancillary to the general hospital expansion, meeting the requirement of EC5.1 and EC2.1d. The site is located in Wythenshawe, an area with significant levels of deprivation and provides employment for the local community, meeting the requirement of EC5.1e & EC5.3. It is well served by public transport with established routes between Wythenshawe Town Centre and University Hospital South Manchester (MediParc) creating opportunities for linked trips meeting EC5.2. The offices within the proposal would be closely associated with the health and research oriented activity, and therefore would only be appropriate in such a location.

Findings of PPS4 Compliance

The Table below sets out the findings of the PPS4 Compliance Paper. This Paper has sought to identify locations within the City to meet the demand for 140 hectares B1 office. The centre hierarchy is the City Centre first followed by 17 district centres. In addition Greater Manchester has a Regional Centre extending beyond the City Centre boundary and this is considered a focus for economic activity in the City Region. The City Centre and City Centre fringe are considered suitable locations for regional and sub-regional office development. The Regional Centre is considered the location where agglomeration is strongest and is also considered suitable for regional/ sub-regional office development and provides greater choice of business location, including mixed use and campus style business parks. It offers opportunities for the linked trips to the City Centre and District Centre as it is the best served by transport networks and can encourage competitiveness and consumer choice.

In the case of Manchester the sequential test began with the City Centre, followed by the City Centre fringe, Regional Centre and then out of centre sites outside the Regional Centre. The sites have all been assessed for their availability, suitability and deliverability and the conclusions are set out below.

B1a Offices 140ha

Site	Area	Floorspace m²(x plus existing)	Delivery	timescale
City Centre	33ha	700,000	See Table above	See Table above

City Centre Fringe	25	360,000*	See Table above	See Table above
Central Park	40	160,000	Private	5 to 10 years
Eastlands	5	20,000 (0)	Private	5 to 10 years
Airport City	12**	73,000*** (37,161)	Private	5 to 10 years
Airport	5	20,000 (0)	Private	5 to 10 years
MediParc	1.3	5,200 (0)	Public	5 to 10 years
District Centres	4	16000	Private	5 to 10 years
Total	125.3	1354200		

*Assumes 13ha = 130,000m² plus 228871 City Centre fringe known potential
**Assumes 5ha of B1 offices is in B1b/c
***derived from Airport City Bitesize July 2009

This leaves 12.7 hectares of employment land needed for offices. In addition to the above 2ha of B1 has been delivered in the year 2009/10 and it is expected that the remaining B1 offices will be delivered within:

- existing planning permissions (approximately 35 hectares)
- existing employment areas, alongside the main employment use (3 hectares)
- as part of major mixed use schemes for example surplus MMU campus's (2 hectares)

B1b Research and Development, B1c Light Industry, B2 General Industrial 25ha

Site	Area	Floorspace m²
Central Park	20	80,000
Airport City (B1b/c)	5	20,000
	25	

B8 Warehousing and Distribution 35ha

Site	Area	Floorspace m²(x plus existing)
Manchester Airport	8	32,000
Airport City	13	52,000
	21	84,000

In addition to the above it is expected B8 warehouse and distribution will be delivered within:

- existing planning permission (approximately 10 hectares)
- Strangeways and Collyhurst Employment Areas (3 hectares)
- Ardwick Goods Yard (2 hectares)
- Stockport Road/Hyde Road (2 hectares)
- Roundthorn and Sharston (2 hectares)