



Paul Butler Associates

Planning, Development & Heritage Consultants

27 November 2020

Mrs Julie Roscoe
Head of Planning
Manchester City Council
Town Hall
Albert Square
Manchester M60 2LA

FAO Carolyn Parry

19.1372TF

Dear Julie

Phoenix House, Ellesmere Street, Manchester, M15 4JY

As part of our application submission relating to a residential-led mixed use development at the above site, please find enclosed a Development Appraisal which considers the viability of the proposed scheme.

As part of the development appraisal and viability work, the applicant's advisors have considered the requirement for contributions towards environmental and residential infrastructure improvements, as well as affordable housing.

De Trafford are able to make a financial contribution of **£250,000** towards affordable housing; and as set out in the cost plan, significant monies are to be invested in the public realm, including:

- A contribution of **£305,400** towards public realm located within the application site; and,
- A contribution of **£96,000** towards public realm located outside the application site.

In addition to the clear economic and social benefits that this development will bring, the allocation of a significant portion of the site for public realm – including a new public square that will form the centre piece of De Trafford's Masterplan and will comprise hard/soft landscaping, tree planting, stone and timber seating, raised planters and water features – will provide significant wellbeing benefits for the wider community, as well as environmental benefits through biodiversity enhancement.

The public square will be central to De Trafford's Masterplan, and together with Spinners Way, a key function will be to provide a link between the various schemes thereby improving the overall connectivity of the wider area and creating a visually pleasing environment. The provision of active street frontages with the commercial and residential uses proposed at ground floor level and their appropriate location will help to animate Ellesmere / Bentinck Streets and the public square, thereby providing passive surveillance which will improve public safety. The proposed landscaping will also improve the health and well-being of existing/future residents of the area, improve the setting of nearby listed buildings and have a positive impact on the character/appearance of the Castlefield Conservation Area, have a positive impact on the surrounding streetscenes and support the continued regeneration of this part of the City.

The appraisal illustrates that the gross development value of the scheme is £73,257,053 and the expenditure total £63,203,854 thereby giving a profit of £10,053,199 and a **15.91%** return. The profit level of the scheme is below the developer norm of 20%, which is normally regarded as the minimum for what is intrinsically a risky investment, particularly when having regard to:

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- The size of investment required to deliver the scheme, which is partly a result of delivering a scheme of an exceptional design quality.
- The risks associated with the redevelopment of a constrained brownfield site, and the requirement for appropriate mitigation in response to site constraints.
- Ongoing uncertainties relating to the wider economic climate.

It should also be factored in, when considering the purchase price of the site, the constraints associated with site assembly. Significant efforts have been required from De Trafford in order to secure the freehold and leasehold interests in the site. This means that De Trafford now have a controlling interest of the entire Masterplan area, with the redevelopment of this important entrance to the City Centre from the South now being a reality. As you will be aware Roof Gardens has now been completed and is fully occupied, St Georges Gardens will be completed imminently, Sky Gardens and City Gardens are currently in construction, and works will soon be starting on Gallery Gardens once the s106 agreement has been signed. This site is the final piece of the Masterplan which will link together each of the developments.

National Planning Policy Framework (NPPF)

With regards to the NPPF, this sets out that:

'Where up to date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage.' (Paragraph 57)

Paragraph 64 goes on to state:

'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.'

National Planning Practice Guidance (NPPG)

Updated Planning Practice Guidance was published in May 2019, this seeks to front load viability considerations away from the decision making process to the plan making process.

The following paragraphs are noted:

Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure).

These policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards

(Paragraph: 001 Reference ID: 10-001-20190509)

The role for viability assessment is primarily at the plan making stage. Viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.

(Paragraph: 002 Reference ID: 10-002-20190509)

In terms of viability and decision making:

Where a viability assessment is submitted to accompany a planning application this should be based upon and refer back to the viability assessment that informed the plan; and the applicant should provide evidence of what has changed since then.

The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment.

(Paragraph: 009 Reference ID: 10-009-20190509)

Local Planning Policy Guidance

In terms of local planning policy guidance, Manchester Core Strategy Policy PA 1 'Developer Contributions' states

'In determining the nature and scale of any planning obligation, specific site conditions and other material considerations including viability, redevelopment of previously developed land or mitigation of contamination may be taken into account.'

As is evident from the enclosed Development Appraisal, De Trafford have – and are continuing – to invest a significant amount of money into the redevelopment of the site.

Scheme Summary

The proposed scheme will provide significant benefits, including:

- Redevelopment of a prominent, yet underused brownfield site that is occupied by a poor quality building, with a scheme of exceptional design quality that will provide significant regeneration benefits for the site and surrounding area, and will improve the appearance of the southern gateway into the City Centre.
- Provision of a variety of uses that will have a positive impact on the regeneration of the area. The housing will meet an identified need for accommodation in Manchester City Centre and the mix will contribute to the creation of a sustainable community.
- The commercial use will add activity and vitality to the streetscene.
- Re-establishing a site layout that reflects historic street patterns, reinforces the positive architectural and urban design character of the area between the Bridgewater Canal and

Chester Road, and promotes a form of layout and character of development that would be appropriate for the currently underused land.

- The development of a scheme that will have a positive impact on the character and appearance of the neighbouring Castlefield Conservation Area, the setting of nearby listed buildings and the Ellesmere Street streetscene.
- Ensuring no adverse impact on the amenity of existing neighbouring residents and businesses, whilst the design will enable a good standard of living for future occupants.
- A scheme that provides private and communal amenity space, and a public square to be used by all residents / workers of the area.
- Development in a highly sustainable and accessible location, with these benefits contributing significantly to the viable and sustainable regeneration of the broader area.

We trust that this information is sufficient to appraise the scheme's viability and to progress the application towards determination. However, if there is anything further that you require please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'T. Flanagan'.

Tom Flanagan MTCP MRTPI

Director