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Our Ref: 34213

Dear Jennifer

Planning Application Reference 126431/FO/2020, Erection of Arena Together with Additional Retail and Commercial Uses

Further Objection on Behalf of DTZ Investors

Background

We write with regard to the above planning application and further to our objection submission on behalf of DTZ Investors (dated June 2020), and the recently submitted Response to Representations, which has been prepared by Deloitte on behalf of OVG Manchester (dated 29 July 2020). DTZ Investors manages the Printworks complex in Manchester city centre.

We are aware that the Council is now in receipt of a large volume of information in respect of the application proposal and we purposely seek to keep this further representation concise in order to clearly identify deficiencies in respect of the applicant's approach. This letter supplements and should be read in conjunction with DTZ Investors' June 2020 objection, which provides a comprehensive overview of our client's concerns.

At the outset, we note that the Introduction of the Response to Representations identifies that the applicant provides its supplementary submission based on a Council summary of representations, and without having benefit of viewing the detail of the fundamental concerns raised by a number of key stakeholders in the city centre. Accordingly, we are uncertain as to how the applicant can accurately respond to detailed submissions if it has not had the opportunity to consider, first-hand, the issues raised.

As set out in our June 2020 objection, a critical matter in the Council's determination of the application will be the magnitude of the impacts arising from the proposal on operators within Manchester city centre. The prescribed approach to the consideration of impacts is set out by paragraphs 89 and 90 of the NPPF

(published February 2019), read in conjunction with the Town Centres and Retail Planning Practice Guidance (hereafter referred to as the 'Town Centres PPG') (updated 22 July 2019).

Notwithstanding the amount of material submitted in support of the application, we do not believe that the applicant has as yet undertaken a recognisable impact assessment which accords with the requirements of the Town Centres PPG.

The Consideration of Impact

Our client's June 2020 objection identified the direct and significant correlation between the hosting of events at Manchester Arena and the level of footfall apparent at Printworks. The area surrounding the Arena has become a focal point of Manchester city centre's evening economy as a consequence of the amount of footfall the Arena generates.

The critical importance of Manchester Area to the wider city centre was recently recognised by the Greater Manchester Combined Authority's Nighttime Adviser, Sacha Lord. In commenting on the recent difficulties faced by the leisure sector¹, Mr Lord acknowledged in straightforward terms that **'A lot of venues survive off the Arena...'**

The viability of the city centre's leisure economy is underpinned by the operation of a successful in-centre Arena. In order to determine whether the Eastlands Arena application conforms to relevant planning policy requirement, it is necessary to consider how the operation of the city centre's leisure economy would be impacted by the Eastlands proposal. Whilst the applicant has attempted to consider the potential expansion of the events market over the long term (based on scenarios which model a level of growth substantially above that which has been historically achieved), no such direct assessment of impact on city centre operators has been provided.

The impact test clearly applies equally to retail and leisure proposals, and the prerequisites for assessment are set out in the Town Centres PPG.

We note the Town Centres PPG paragraph 018 requires applicants to:

- establish the state of existing centres;
- determine the appropriate time frame for assessing impact, focusing in the first five years (the 'impact test year' will generally relate to the second full calendar year of trading);
- examine the 'no development' scenario;
- consider the impact of the proposal on existing centres and facilities; and
- set out the likely impact of the proposal clearly, along with any associated assumptions or reasoning, including in respect of quantitative and qualitative issues.

We do not believe that the applicant has appropriately addressed any of the above matters.

Firstly, there is no meaningful consideration of the role and function of Manchester Arena and the degree to which neighbouring businesses depend on it for footfall. There is no assessment of the vitality and viability of the city centre, nor any consideration of the current health of its leisure offer. There is also no attempt to understand the ongoing impact of Covid-19, which is likely to be apparent for many years to come.

¹ As reported in the article headlined 'The crisis on the quiet streets that threatens the soul of Manchester city centre', Manchester Evening News, 26 July 2020

Secondly, the information submitted by the applicant generally seeks to consider how the events market may expand over the long term (to 2035). However, the Town Centres PPG establishes that the relevant test year in respect of impact will be the second full calendar year of trading. We understand that the applicant intends that the Arena would be operational by 2023; this points to an impact test year of 2025.

Thirdly, it is necessary to assess the likely trading position of leisure facilities within the city centre at the identified test year, both with and without the proposal coming forward. The difference between the two positions effectively relates to the impact of the proposal. No such comparative exercise, examining the likely performance of in-centre operators, has been undertaken. Instead, the applicant has made broad-brush assumptions that patrons of Eastlands Arena would continue to use bars and restaurants within the city centre.

It has not undertaken a meaningful assessment of the diversion of trade from existing facilities to the application proposal. The quantum of commercial development included in the proposal (and the clear indication that the intention is to entice customers to travel early and stay late in order to stagger journeys) seeks to maximise the amount of 'spin off' custom on-site. This has clear implications for city centre food and drink operator, who are situated some distance from the application site.

Finally, as a consequence of the above, we do not believe that the impact of the proposal on the city centre has been clearly identified within any part of the extensive application submission.

The above steps are of particular relevance to the second part of the NPPF paragraph 89 impact test (relating to the impact of a proposal on town centre vitality and viability).

However, we remain of the view that the applicant's approach to the first strand of the NPPF impact test (relating to impact on existing, committed and planned public and private in-centre investment) also remains wholly unsatisfactory.

In this regard, we note that concerns in respect of the ability of the application proposal to impact on planned investment at the Factory, Mayfield and at the existing Manchester Arena have been dismissed without any detailed consideration of the factors that affect such multi-million pound investment. There is no objective analysis of the potential for similar operations to compete for the same events and therefore no meaningful assessment of the impact on likelihood of investment or the success of the investment should it proceed.

Conclusion

We are aware that the position of ASM Global, as operator of Manchester Arena, is that the market would not support two large-scale viable events arenas in practice. Our client firmly believes that the substantial weakening of Manchester Arena's trading position would lead to a significant adverse impact on the future operation of Printworks and undermine its planned £9m investment to refurbish the facility, which seeks to provide a market-leading interactive customer experience as a key city centre attraction.

Both the Arena and Printworks are of critical importance to the city centre leisure and night time economy, and to the vitality and viability of the city centre as a whole.

As we set out above, no meaningful impact assessment – which is consistent with the requirements of the NPPF and the associated Town Centres PPG – has yet been submitted in support of the application.

We request that both this representation and our client's objection of July 2020 are forwarded to the applicant in order that they can be properly considered.

We also respectfully suggest that, given the volume of technical information submitted in respect of the applicant, the Council gives consideration to whether it is appropriate to instruct specialist, independent consultants to objectively advise on the acceptability of the impacts arising from the application.

We trust that the above is helpful in clarifying our client's position and its ongoing fundamental concerns in respect of the application proposal.

Once more, we ask that we are kept informed of your progress in determining the application and that we are made aware of the submission of any further supporting documents of relevance.

Yours sincerely

A solid black rectangular box used to redact the signature of Richard Shepherd.

Richard Shepherd
Director