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Sent by e-mail to j.atkinson@manchester.gov.uk

Dear Ms Atkinson

Site At The Etihad Campus Manchester
Planning Application Reference 126431/FO/2020
Erection of a multi-use arena (Use Class D2) (61,082 sqm) with ancillary retail/commercial uses (Classes A1, A3 and A4)

Introduction

Legal & General Investment Manager ('LGIM') has prepared this letter in connection with the above application.

As you will be aware, LGIM is a significant stakeholder in Manchester and the immediate surrounding area. Our investments include:

1. The following properties that all surround Piccadilly Gardens:
 - a. One Piccadilly Gardens on the eastern boundary
 - b. The Pavilions on the southern boundary
 - c. The Royal Buildings on Mosely Street on the western boundary
 - d. 19 / 31 Piccadilly Gardens
2. The Northern and Western Towers at One Deansgate Square. Both Towers provide approximately 600 residential dwellings in Manchester City Centre.
3. A 50:50 joint venture with Bruntwood in Bruntwood SciTech, which includes the development at Manchester Science Park.
4. A 50:50 joint venture with Peel in relation to Media City in Salford. Although outside the boundary of Manchester, Media City plays a significant role in the economic performance of and attraction of Manchester as a City-Region.
5. New Bailey, which although located within Salford abuts the boundary of the City Centre and is a development through Legal & General's English Cities Fund Partnership

We take our role as custodians of landholdings in the City Centre and wider City-area very seriously and work with the Council at every opportunity to promote opportunities to continually improve the City Centre and the economic well-being of the City-Region.

With the above in mind, we trust our comments on the application will be fully taken into account. Our position is that the Council should either ask that the above application is:

1. Withdrawn to enable the evidence base provided with the application to be reviewed and updated in order to assess to whether it is appropriate for the City Council to support two Arenas in the City and the associated retail and leisure development proposed with the planned Arena; or
2. Refused on the basis that the evidence base is not robust and doesn't meet the land-use planning requirements.

We set out our consideration below.

Consideration

The application is for a new Arena and 17,541 sq. m (circa 188,810 sq. ft) of associated Class A1 / A3 / A4 floorspace. The application is in an out of centre location. It is therefore required to consider whether there are any available or suitable sites within centres or at their edges (the sequential test) and the impact of the proposal on City Centre vitality and viability and investment. We don't comment on the sequential test, but consider the implications of the applicant's impact assessment which is not robust and cannot be relied on in order to determine the application.

The assessments prepared with the application forecast that there is capacity within the City to support two Arenas.

That projection in itself is based on a greater than past trends growth, which is not reliable, but in any event, the evidential basis to support the application is based on data that pre-dates the Covid-19 period.

As the Council will be aware, planning considerations can be 'live tests'. Therefore, data that was prepared some months ago can no longer be robust and an accurate evidence base, particularly where there has been a global event that has significantly altered economic circumstances. This is a material consideration in the determination of the application, which warrants a wholesale review of the evidence base.

In straight forward terms, there can be no certainty placed on the forecasts in the information that supports the application that suggest the City can accommodate two Arenas. As the Council will be aware, UK GDP fell by 19.1% in the three months to May 2020 and only grew 1.8% in May 2020. The Bank of England has forecast that the event of the Covid-19 period will push the U.K. into the deepest recession for 300 years.

Even if the City could support two Arenas pre-Covid-19, and the evidence before the Council does not support that, that evidence cannot be relied on to reflect any circumstances where a planning application could now be supported. It follows not only is the evidence base not robust in a pre-Covid-19 World, it is now no longer accurate to support the case advanced for a second Arena in the City.

On the basis of the above alone, the City Council should either request the applicant withdraws the planning application to review the evidence base to support the application, or refuse the application on the basis that there is no case to justify a second Arena.

The second of those suggested approaches, is based on the position that as there is not capacity to support a second Arena in the City (or at least a robust and up to date evidential basis to support that case), it follows that a new Arena at Eastlands can only have a significant adverse impact on the City Centre. This arises due to the loss of trade to the existing Arena which significantly reduces the number of events that it would be able to hold. This would constitute a significant adverse impact under the terms of Paragraph 90 of the National Planning Policy Framework.

Further, no assessment has been prepared that analyses the impact of the proposal on existing restaurants, bars and cafes in the City Centre, just a simple forecast that 80% (or 57% in the

conservative scenario)¹ of the expenditure arising from trips to the new Arena would be spent directly in the City Centre (i.e. from every £1 spent arising from a trip to the Arena 80p would be spent in the City Centre). That analysis is derived from a base model survey that suggests 91% of expenditure arising from trips to the existing Arena is directly spent in the City Centre.

However, there are significant flaws in that analysis as the existing Arena is located within the City Centre. Therefore, using that as a base model to provide a judgement on a new Arena at Eastlands, which is not located within the City Centre cannot be a robust evidential basis to assess an application on.

Further, the Economic Impact of the Two Arenas in Manchester report, dated February 2020 (Page 21) states that the: *'visitor expenditure however [sic] continue to benefit city centre businesses, particularly hotels'*. It follows that the analysis suggests that the benefit will be to hotels and not to retail, restaurants, bars and cafes, meaning there is no impact analysis carried out that forecasts the trading impacts of the proposal on those uses in the City Centre, as is required under the terms of Paragraph 90 of the National Planning Policy Framework.

A further important consideration is that the application proposes 17,541 sq. m (circa 188,810 sq. ft) of Class A1 / A3 / A4 floorspace, which is termed in the application to be 'ancillary'. However, at 25% of the total floorspace (68,608 sq. m) those uses cannot correctly be described as being 'ancillary', particularly as it will also be available to be used on non-event days (see Paragraph 5.92 of the Planning Statement provided with the application). The assessments prepared with the application do not take into account the effects of that significant quantum of Class A1 / A3 / A4 floorspace. The assessment simply looks at whether a new Arena on its own would have an impact on City Centre spending. It does not look at what the impact would be of providing close to 200,000 sq. ft of new retail, restaurant and bar floorspace (that can be used with the Arena and independently of it) would have on existing City Centre operations. This is a critical assessment that is required under the terms of Paragraph 89 of the National Planning Policy Framework.

There are therefore a series of assessment matters that are required to be addressed under the terms of the impact assessment requirements of the National Planning Policy Framework, namely:

1. An update of the evidence base to reflect current economic circumstances and behavioural patterns
2. An assessment of the impact of the proposed Arena directly on the existing Arena
3. An assessment of the impact of the proposed Arena and the retail, restaurant and bar floorspace on the City Centre
4. An assessment of the impact of the proposed retail, restaurant and bar floorspace on the City Centre

Summary and Conclusion

The above matters are not presently addressed and therefore, the evidence base supplied with the application does not meet the relevant land-use planning considerations and cannot be relied upon to support the grant of a planning permission.

Requiring the assessment matters outlined above are therefore important as they are required under the terms of planning policy and will enable the City Council to have a full understanding of the impacts of the proposal. In the absence of the above assessments, the Council is unable to conclude that the proposal will not have a significant adverse impact on the City Centre.

As a significant stakeholder in the City, LGIM therefore kindly request that the City Council either:

1. Requests the applicant withdraw the application in order for it to undertake the above analyses to assess whether there is a planning case for the proposal in impact terms; or

¹ Page 21 of the Economic Impact of the Two Arenas in Manchester report, dated February 2020.

2. Refuses the application on the grounds that the applicant has not prepared a robust impact assessment. The absence of an assessment under the terms of Points (2) – (4) above constitute a failure to under the impact test as required under Paragraph 89 of the National Planning Policy Framework. The Council will be aware that failure to undertake an impact test can constitute a reason for refusing the application (Planning Practice Guidance – Paragraph 017 Reference ID: 2b-01-20190722). This should be relayed to the applicant at the earliest opportunity.

We would be grateful if you could provide an update at the earliest opportunity on whether the Council will request the applicant withdraws the application to enable it to consider the implications of undertaking a robust analysis for the proposal that meets the requirements of the impact assessment or will refuse the application on the basis of the applicant's failure to undertake the impact assessment in the way required by the National Planning Policy Framework.

Yours sincerely

NICK WEBB
SENIOR ASSET MANAGER