

Planning Application Reference 126431/FO/2020: Proposed Eastlands Arena Development

Objection on Behalf of DTZ Investors

June 2020



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1.0 Introduction

Scope and Purpose

- 1.1 We write on behalf of DTZ Investors (hereafter referred to as 'our client') in order to set out its objection to planning application reference 126431/FO/2020, which seeks to provide for a multi-use arena together with retail/commercial uses (Class A1, A3 and A4) and associated highways, access, servicing, landscaping, public realm and other works. The application was submitted by OVG Manchester and was validated by Manchester City Council on 31 March 2020. The application site is situated off Alan Turing Way, within the Etihad Campus, and effectively comprises an 'out-of-centre' location in planning policy terms.
- 1.2 Our client manages the Printworks complex in Manchester city centre, which accommodates a wide and dynamic range of leisure operators and, together with neighbouring provision at Manchester Arena and Corn Exchange, forms a clear focus for the city centre's leisure economy. Our client has recently secured planning permission for a very significant investment at Printworks¹ to ensure that it remains at the forefront of the leisure market, with associated consequential benefits both for the venue and for the city centre as a whole. As we go on to explain in greater detail in this objection, national planning seeks to ensure that such investment is prioritised (and afforded 'policy protection') in order to provide for a vital and viable city centre.
- 1.3 The scale of the Eastlands Arena application proposal is very significant and comprises main town centre uses, as defined by Annex 2 of the National Planning Policy Framework ('the NPPF') (published February 2019). The proposed uses should, wherever possible, be accommodated within defined centres in accordance with the provisions of national planning policy.
- 1.4 At the outset, it is important to recognise that our client is wholly supportive of wider regeneration initiatives in East Manchester and the transformative development that has been delivered to date by the Council and private sector partners. Our client is also appreciative of the need to secure further appropriate, complementary investment in the area.
- 1.5 Notwithstanding this, the types of uses proposed by the Eastlands Arena planning application are

¹ Planning permission reference 125294/FO/2019, which provides for significant external works, improvements to entrance features, new signage and new LED screens

already provided at a highly sustainable location within Manchester city centre. Furthermore, it is also our client's view that the proposal to provide competing provision at Eastlands would be prejudicial to the ongoing successful operation of Printworks and neighbouring businesses. The significant leisure offer that has developed at Manchester Arena, Printworks and Corn Exchange is inextricably linked and is reliant on the provision of complementary facilities in order to provide a complete day or evening out. The offer in this part of the city centre is enhanced through its collective strength and has the ability to draw custom to Manchester city centre from across the region that could otherwise be directed elsewhere. The successful operation of Printworks and other nearby leisure venues is dependent on being able to attract sufficient custom in order to offer a vibrant night out seven days a week.

- 1.6 Our client believes that the introduction of a significant leisure offer at Eastlands, which replicates existing facilities, would result in a significant adverse impact on the ongoing operation of key attractions within Manchester city centre. It would also likely materially impact on planned investment which seeks to further improve leisure provision within the city centre. As such, the grant of planning permission for such large-scale leisure uses would be contrary to the provisions of both the development plan and the National Planning Policy Framework ('NPPF').
- 1.7 As we set out in greater detail below, our client believes that the application's failure to accord with key town centre policies merits the refusal of the planning application.

Structure of Objection

- 1.8 We provide further justification to substantiate our client's position below. We seek to focus on the acceptability of the principle of the proposed land use and do not address in detail other technical matters which will be of interest to the Council, including transport, air and noise, ecology, and so on (albeit we reserve the right to do so, if appropriate, in advance of the Council's determination of the application).
- 1.9 The remainder of this document is structured as follows:
 - Section 2 briefly outlines the Printworks operation and its relationship with Manchester Arena;
 - Section 3 confirms the nature of the planning application;
 - Section 4 sets out the planning policy of primary relevance to the principle of the proposed land uses in an out-of-centre location;

- Section 5 considers the proposal's compliance with key town centre policy tests;
- Section 6 briefly addresses other matters of relevance; and
- Section 7 provides our conclusions.

2.0 The Role of Printworks

- 2.1 Our client acquired Printworks in early 2017 and has subsequently sought to evolve its tenant mix in order that it provides a well-rounded leisure offer, which supports both daytime and evening leisure use. The leisure complex comprises circa 370,000 sq.ft of accommodation and attracts around eight million people annually. By any measure, it is a very substantial leisure destination and has a significant role in underpinning Manchester city centre's leisure economy.
- 2.2 Multi-million pound investment has already been made under our client's management and significant new tenants have been attracted to Printworks² in recent years. Furthermore, our client plans to invest further in a major refurbishment to enhance internal areas and the external appearance of the complex. Such investment will help ensure that the complex remains competitive and relevant in an already crowded market.
- 2.3 The success of Printworks is attributable, in part, to its location. It is situated in the northern part of the city centre, close to Manchester Victoria transport interchange and Metrolink tram stops at Exchange Square and Shudehill. As one would expect of a central city centre location, it benefits from excellent accessibility from across Greater Manchester and beyond.
- 2.4 Printworks is also located in close proximity to Manchester Arena, which is the largest indoor arena in the United Kingdom, with a capacity of up to 21,000 spectators. Due to its configuration (with seating 'in the round'), the capacity of the Arena is flexible and it can host a variety of uses, including music concerts, comedy, sporting events and conventions. As a consequence of its adaptable nature and popularity, the Arena hosts up to 150 events each year.
- 2.5 Whilst this level of use is clearly indicative of a successful operation, it is important to recognise that the vast majority of popular touring music, entertainment and comedy acts currently visit Manchester and we are not aware of any issue with the Arena effectively operating at the limit of its capacity (and thereby denying larger acts the opportunity to play to a Manchester audience).
- 2.6 Complementary leisure provision has located in close proximity in order to benefit directly from the level of footfall that arises when an event is hosted by the Arena. Such custom is accounted for in

² Including Vue cinema, Escape Reality and Treetop Adventure Golf, as well as additional restaurant tenants

operators' business model and will generally be of importance in sustaining a successful operation. The success of restaurant and bar provision at Printworks and Corn Exchange is related to the beneficial impact of Manchester Arena and its role in driving footfall across the city centre.

- 2.7 The direct relationship between the Arena and Printworks is evidenced by Printworks' footfall data. Footfall is recorded on a daily basis and consistently demonstrates the significant boost in custom that arises when an event takes place at the Arena.
- 2.8 The link between additional Printworks footfall and Manchester Arena hosting events has generally become stronger in recent years. We identify below at Table 2.1 the percentage increase in footfall that occurred on a monthly basis in 2019 when an Arena event has taken place, together with the average total increase in footfall across last year as a whole³.

Table 2.1: Increase in Footfall at Printworks Arising from Manchester Arena Events

Month	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	June 2019	July 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total 2019
% Change	45.45	18.86	14.18	43.53	22.96	11.50	3.39	-	0.84	3.83	28.77	43.75	20.46

- 2.9 The data indicates a direct causal relationship in respect of Manchester Arena hosting an event and Printworks benefitting from a substantial increase in footfall. When events are held at the Arena the uplift in footfall can be very substantial, equating to a 45.45% increase across January 2019, a 43.53% increase across April 2019, and a 43.75% impact across December 2019. Across 2019 as a whole, Printworks footfall increased on average by 20.46% as a consequence of an event taking place at Manchester Arena.
- 2.10 The benefit in custom to Printworks due to events taking place at the Arena is therefore significant. The 'Arena effect' is important in attracting food and beverage operator tenants, and in generating the level of mid-week footfall required to make Printworks a vital and viable leisure destination seven days a week. We are aware that Manchester Arena has a similar beneficial impact in supporting the viability of operators in Corn Exchange and across this part of the city centre as a whole.
- 2.11 As a consequence, all of the leisure uses proposed at Eastlands as part of this planning application – the arena, bars and restaurants – would act to divert custom away from Printworks and from other

³ The exact footfall figures are commercially sensitive but can be made available to the City Council on a 'private and confidential' basis should this be of assistance in demonstrating the positive impact arising from concerts and events being hosted at Manchester Arena

complementary operators in this part of the city centre. As a consequence, in considering the acceptability of the Eastlands planning application, it is first appropriate to first clarify the nature of the proposal and how it would likely operate in practice.

3.0 The Eastlands Arena Application Proposal

3.1 The application site is situated over 2 kilometres from the edge of Manchester city centre, assuming the most straightforward pedestrian route. Paragraph 1.5 of the Sequential Assessment submitted in support of the application⁴ confirms the site's 'out-of-centre' policy status.

3.2 The description of the proposed development, as identified by the City Council in validating the application, as is as follows:

'Erection of multi-use arena (Use Class D2) (61,082 sq.m) with a partially illuminated external façade together with ancillary retail/commercial uses (Classes A1, A3 and A4), with highways, access, servicing, landscaping, public realm and other associated works.'

3.3 We note that this differs from that provided by the applicant's agent, Deloitte, on the planning application form. Deloitte's description does not seek to identify the Class A1, A3 and A4 uses as 'ancillary' to a primary use, which we believe is a more appropriate approach given the very substantial scale of such proposed development.

3.4 The proposed arena would have a general capacity of 20,000, which we understand could extend to 23,500 in particular circumstances⁵. We note from Table 5.1 of the applicant's Planning Statement⁶ that the proposed Class A1, A3 and A4 uses would provide a total gross external area of 17,451 sq.m. Whilst there would appear to be some flexibility in terms of the exact mix of Class A uses, it is evident that the vast majority of this floorspace would be dedicated to Class A3 and Class A4 uses (i.e. the types of food and drink operation that underpin the city centre's night time economy).

3.5 Whilst the proposed Class A uses would be provided throughout the development, we note that paragraph 5.92 of the Planning Statement clarifies that **'...there is scope for some of these spaces (particularly the canal side terrace) to be opened up on non-event days to provide facilities for local residents, workers/visitors to the Campus as it is developed over time...'**

3.6 Accordingly, not only is the food and drink floorspace proposed by the application very substantial indeed, parts of it could (and most likely would) be operational irrespective of whether the Arena itself

⁴ Prepared by Deloitte and dated March 2020

⁵ When configured 'in the round' for a limited number of events

⁶ Prepared by Deloitte and dated March 2020

hosts an event on any given night. This is not consistent with a genuinely ancillary and subservient use.

3.7 Class A1, A3 and A4 uses associated with the proposal are of a significant scale, would operate independently and should be therefore be afforded significant scrutiny in determining the application. The clear intention of the proposal in its entirety is to encourage visitors to spend the entire evening within the complex, thereby bypassing the need to eat, drink and socialise within city centre establishments.

3.8 The proposed Arena itself would have a capacity broadly similar to that of the existing Manchester Arena (which can accommodate up to 21,000). Moreover, whilst we recognise that the Arena is intended to be 'multi-use', in practice it would host a large number of music concerts and family shows. This is evident, in part, through the example venue configurations provided at Figure 5.2 of the Planning Statement (with the first eight of a total of 12 potential configurations relating to concerts).

3.9 Other proposed events include sports and awards shows. In actuality, we envisage that sports events would comprise a small proportion of the events calendar, given the limited number of touring events and the costs involved in reconfiguring arena space to accommodate sports. We consider it most likely that the proposed Eastlands Arena could potentially accommodate a limited number of boxing or UFC events annually, but that other sports events, in practice, may be 'one offs'. This is comparable to the position in respect of the existing Manchester Arena.

3.10 Paragraph 5.31 of the Planning Statement also suggests that:

'The large event floor can also be used as a dining area for award shows, attracting events to Manchester which are not currently choosing to locate here (and have indeed never chosen to), despite the city's music and media connections, such as: the National Television Awards; the MOBO Awards; the Brits Awards; and Sports Personality of the Year.'

3.11 The fact that only four potential award shows have been identified suggests that the potential in this area may be rather limited. Moreover, it should be noted that both the Brit Awards and National Television Awards have never been held outside London throughout their long histories (suggesting a preference for the capital rather than a lack of facilities across the UK as a whole). Furthermore, both the MOBO Awards (which have not taken place since 2017) and Sports Personality of the Year

generally tour the country. Whilst Manchester may host such awards shows on an occasional basis⁷, it is highly unlikely that the proposed Eastlands Arena would become their permanent home.

- 3.12 It is therefore abundantly clear that the primary use of the proposed Eastlands Arena would be to host musical concerts, family 'spectaculars' and the occasional sporting event. Ticket holders would be encouraged to eat and drink on site through the co-location of Class A3 and Class A4 uses.
- 3.13 The inescapable conclusion that can be drawn from the application submission is that the proposed Eastlands Arena is pitched at the same market that is already catered for by Manchester Arena and nearby complementary leisure uses, including Printworks.
- 3.14 Importantly, in planning policy terms, this existing provision is located within Manchester city centre. We go on to explore relevant planning policy, and its implications in respect of this application proposal, below.

⁷ The 2011 Sports Personality of the Year Awards were held in Greater Manchester at dock10 Studios in MediaCity

4.0 Planning Policy Context

- 4.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that planning applications are determined in accordance with the development plan unless material considerations indicate otherwise. The adopted development plan in this instance comprises the Manchester Core Strategy (adopted July 2012) and the 'saved' policies of the Manchester Unitary Development Plan (adopted July 1995, with still relevant policies being saved in September 2007).
- 4.2 The policies of primary relevance to an out-of-centre arena at Eastlands are contained within the Core Strategy. We briefly summarise key development plan policies below, before then turning to other material policy considerations.

Manchester Core Strategy

- 4.3 The City Council's Interactive Proposals Map indicates that the application site is situated within the East Manchester Sportcity Sub-Area (which sits within the wider defined East Manchester Area) and forms part of the defined Regional Centre. In this regard, Core Strategy Policies EC3, EC5, EC7 and EM11 are of relevance.
- 4.4 Policy EC3 indicates that the Regional Centre will be a suitable location for employment generating uses, including offices, where it does not undermine the delivery of such space within the City Centre. The policy also raises the prospect of leisure uses being accommodated with the Regional Centre but provides no clarification in respect of the type and scale of such proposals. Paragraph 8.15 of the supporting text associated with the proposal identifies that the focus of the Regional Centre designation is economic development.
- 4.5 Policies EC5 and EC7 confirm the Council's commitment to East Manchester and Eastlands as a location for additional employment uses. Policy EC7 identifies the Eastlands Strategic Employment Location as a site for a major sports and leisure visitor destination with complementary commercial, retail and hotel development. Policy EC7 recognises that development proposals which support this overall vision should not be in conflict with other policies in the plan. Paragraph 8.57 of the supporting text which introduces Policies EC5 and EC7 makes clear the expectation that Development Plan Documents will subsequently be prepared by the Council in order to support more detailed proposals for the development of Strategic Locations.

4.6 In respect of other policies of the plan, we note that:

- Policy CC1 supports economic development uses such as retail, leisure, entertainment, cultural and tourism facilities within the city centre;
- Policy CC4 indicates that the city centre will be the focus for cultural and leisure uses in the City Region;
- Policy C1 reaffirms that the city centre is the regional focus for commerce, culture, leisure and tourism in order to maintain its vitality and viability; and
- Policy C9 indicates that proposals for main town centre uses which are 'out-of-centre' or not provided for within a Strategic Location should be the subject of the sequential and impact tests.

4.7 It is evident from the above that, whilst the Core Strategy identifies that the Eastlands area has potential to accommodate further large-scale leisure and sporting development, it does not specifically refer to, or provide for, an events arena use. This is unsurprising, given that the need for such a proposal and the impacts arising from such a use were not considered as part of the evidence base which supported the plan.

4.8 As we would expect, the general thrust of the plan is to prioritise the role of Manchester city centre as the principal destination for significant retail and leisure uses. This is evidenced by the findings of the Inspector at Core Strategy Examination who found (at paragraph 9 of her report⁸) that the policies of the plan indicate that:

'The City Centre should be the focus for commercial, retail and leisure uses. The Regional Centre goes beyond the City Centre and reflects the importance of promoting opportunities for regeneration. Some activity that may benefit agglomeration, such as industrial uses, would not be appropriate in the City Centre.'

4.9 As a consequence of the above, our client's view is that the sequential and impact tests are of critical importance in determining the acceptability in principle of the proposed land use. However, whilst Core Strategy Policy C9 refers to the sequential and impact tests, it fails to clarify how these are to be applied in practice.

⁸ Dated 26 March 2012

- 4.10 The publication of the NPPF in February 2019 post-dates the adoption of the Core Strategy and provides national sequential and impact tests that are worded differently to those which applied at the time of the plan's adoption eight years ago. The NPPF sequential and impact tests are clearly an important material consideration to be afforded weight in the determination of the application.

Eastlands Regeneration Framework – 2019 Update

- 4.11 Our client submitted a detailed representation last year setting out a number of concerns relating to the draft Eastlands Regeneration Framework – 2019 Update ('the draft ERF'). The particular focus of our client's interest was the manner in which the draft ERF referred to a future arena proposal without such a use being supported by an appropriate, detailed evidence base which considered all matters of relevance to such a proposal.
- 4.12 Whilst the Council's Strategic Director – Growth and Development exercised his delegation to adopt the ERF as a supplementary planning document on 27 March 2020, we understand that its adoption has subsequently been cancelled.
- 4.13 Accordingly, we do not believe that the Council currently has an up to date ERF which can be afforded weight in the decision making process.
- 4.14 Notwithstanding this, we note that page 46 of the draft ERF made it clear that the acceptability of a planning application for an indoor arena, together with other entertainment facilities, could only be determined through '**...detailed appraisal and analysis.**' We reiterate our client's view that the sequential and impact tests are at the heart of any such analysis.

National Planning Policy Framework

- 4.15 The latest iteration of the NPPF was published in February 2019. It sets out the Government's overarching policy objectives and, at paragraph 6, identifies that the purpose of the planning system is to contribute to the achievement of sustainable development. This includes a requirement for development to be delivered in the right places.
- 4.16 With regard to the assessment of proposals for retail and leisure proposals, the NPPF sets out two principal national policy tests relating to the sequential approach to development and to impact.

4.17 In respect of the first of the two tests, paragraph 86 of the NPPF states that local planning authorities should apply a sequential test to planning applications for main town centre uses that are not in accordance with an up-to-date plan.

4.18 Paragraph 86 goes on to state that:

‘Main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available (or expected to become available within a reasonable period) should out of centre sites be considered.’

4.19 Paragraph 87 then identifies that:

‘When considering edge of centre and out of centre proposals, preference should be given to accessible sites which are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale, so that opportunities to utilise suitable town centre or edge of centre sites are fully explored.’

4.20 Paragraph 89 of the NPPF sets out a twin impact test, stating that:

‘When assessing applications for retail and leisure development outside town centres, which are not in accordance with an up-to-date plan, local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold (if there is no locally set threshold, the default threshold is 2,500 sq.m of gross floorspace). This should include assessment of:

- **the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and**
- **the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider retail catchment (as applicable to the scale and nature of the scheme).’**

4.21 Paragraph 90 indicates that, where an application fails to satisfy the sequential test or is likely to have a significant adverse impact on one or more of the above factors, it should be refused.

4.22 The remainder of the NPPF provides a wider range of policies of relevance to the location of development and its ability to be served by sustainable transport modes. Such policies include:

- paragraph 103, which indicates that significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice

of transport modes;

- paragraph 108, which requires opportunities to promote sustainable transport modes to be taken up;
- paragraph 109, which indicates that planning applications should be refused where the impacts on the road network would be severe.

Summary

4.23 Whilst the adopted Core Strategy identifies Eastlands as a Strategic Employment Location which has potential to accommodate a major sports and leisure visitor destination, it fails to make provision for a multi-use arena with significant Class A1, A3 and A4 development as proposed by this planning application. The Core Strategy instead anticipated that any detailed proposals would be supported through the adoption of appropriately justified Development Plan Documents.

4.24 In this regard, we note that the Council has cancelled the adoption of the Eastlands Regeneration Framework.

4.25 In addition, the general thrust of the Core Strategy and the NPPF is to promote and offer 'policy protection' to in-centre development through the application of the sequential and impact tests. We consider the relevance of both to the application proposal below.

5.0 The Application of the Sequential and Impact Policy Tests

- 5.1 The application seeks planning permission for a Class D2 multi-purpose events arena, together with Class A1, A3 and A4 uses. The proposed use falls squarely within the 'leisure, entertainment and more intensive sport and recreation uses' identified within the NPPF Annex 2 definition of a 'main town centre use'. Both the sequential and impact tests apply to proposals for leisure uses.

Sequential Test

- 5.2 Whilst the Sequential Assessment submitted in support of the application runs to 70 pages, very little detail is provided in respect of the general methodological approach, the basis upon which assumptions have been made, and whether enquiries have been made of landowners to appropriately establish the availability of sites.
- 5.3 In this regard, it is important to note that paragraph 87 of the NPPF clearly requires applicants to *fully explore* the potential offered by sequentially superior sites. As such, it is important that a robust and objective review of sites is undertaken if they are to be discounted from consideration. The submitted Sequential Assessment provides no such rigorous examination.
- 5.4 This is evident through reference to the long list criteria which the applicant has applied to consider the suitability and availability of sites, as set out at page 18 of the Sequential Assessment.
- 5.5 The five criteria identified by Deloitte to be of relevance to a site's availability are as follows:
- Is it in single or multiple ownership?
 - What is the current use of the site?
 - Does it have a planning policy allocation?
 - Does it have planning permission?
 - Has development commenced on site?
- 5.6 It is accepted that sites which are currently in the process of being developed are not available to accommodate the proposed development. Similarly, there will be sites which are allocated for particular uses and, as such, are not suitable or available for the proposed use. However, the other three criteria do not generally preclude a site being made available to accommodate a significant multi-million pound development of this nature. In considering availability, it is important to recognise that

sequential alternative sites need only be available within a *reasonable period* (rather than there being a requirement for a site to be *available now*).

- 5.7 In this context, our client is particularly concerned that sites in more than one ownership have been swiftly discounted from consideration without proper consideration of their merits. As the Council is well aware, a large proportion of substantial central sites in proximity to the city centre are likely to be in more than one ownership. As the Council itself has demonstrated on many occasions, this need not be a barrier in bringing forward appropriately located development.
- 5.8 In this context, we note that Deloitte indicates at the end of page 18 of the Sequential Assessment that sites in multiple ownership have been '**...dismissed as an option without further analysis.**' This is clearly at odds with the NPPF paragraph 87 requirement to *fully explore* sites' potential.
- 5.9 In this regard, we also note the Secretary of State's approach in determining an application for proposed large-scale retail-led mixed-use development (including Class A3, A4 and D2 uses) at Cribbs Causeway outside Bristol⁹. Paragraph 598 of the Inspector's report considered the availability of an alternative central site for the application proposal and noted that the negotiations had yet to commence on 36 land interests required to control the site. Both Inspector and Secretary of State also recognised that CPO powers may need to be exercised in order to secure the sequentially preferable site. Notwithstanding this, the Secretary of State's decision letter found that the alternative site was available to accommodate the proposal and planning permission was refused for the proposed development on this basis.
- 5.10 Given the above, it is our client's view that the methodology employed in undertaking the sequential test is fundamentally flawed and inconsistent with the requirements of the test (and, importantly, how it has been applied by the Secretary of State elsewhere). As a consequence, sites may have been ruled out on spurious grounds related to their ownership or current use.
- 5.11 Accordingly, it is our client's view that the application submission fails to demonstrate compliance with the sequential approach to development.

⁹ PINS reference APP/P0119/V/17/3170627

Impact Test

- 5.12 The NPPF impact test is in two strands. The first strand requires consideration of the impact of a proposal on existing, committed and planned public and private investment in centres within the catchment area of the proposal. The second relates to the impact of a proposal on town centre vitality and viability.
- 5.13 Before we consider both parts of the test, it is first important to note that paragraph 018 of the Town Centres and Retail Planning Practice Guidance ('the Town Centres PPG') provides a checklist for the application of the impact test. Whilst some of the checklist requirements relate more particularly to retail developments, the first stage requires consideration of the current state (i.e. the vitality and viability) of relevant centres.
- 5.14 The applicant has provided no such baseline assessment, which is clearly integral to any proper assessment of the magnitude and acceptability of the impacts arising from out-of-centre development. The need for a baseline assessment of the health of Manchester city centre (with reference to its leisure and night time economy) is particularly acute given the very substantial scale of this application.
- 5.15 Furthermore, our client is also concerned that the application submission was prepared and submitted before the extent of the ongoing Covid-19 pandemic became apparent. Indeed, at the time of writing the future implications of Covid-19 are not fully understood, nor are its impacts, which will affect the vitality and viability of Manchester's leisure economy for some considerable time.
- 5.16 The assumptions made by the applicant cannot and do not take account of the long term effects of Covid-19. As a consequence, our client does not believe that the application submission could reasonably be considered an appropriate basis upon which to grant planning permission for such a significant development.
- 5.17 Our client's concerns in respect of how the Covid-19 pandemic will affect retail and leisure operations are consistent with the message from the Government and across retail and hospitality sectors.
- 5.18 In this regard, we note that:
- the Chancellor of the Exchequer informed the House of Lords Economic Affairs Committee on 19 May 2020 that the UK is facing a severe recession '**the likes of which we have not seen**' and spoke

of a permanent scarring to the nation's economic health¹⁰;

- the Hospitality Union¹¹ wrote to the Chancellor of the Exchequer on 20 April 2020 stating that ongoing social distancing requirements will mean that hospitality businesses will remain closed for some time, with more than half of such businesses in danger of permanent closure which would risk as many as two million jobs;
- the Covid-19 Forward Recovery Planning report to Manchester City Council Executive on 6 May 2020 identifies that, whilst it is too early to fully understand the impact of the crisis, the economy is not expected to be the subject of a 'v-shaped' recovery and the recovery period is likely to be *at least* three to five years; and
- subsequent to the submission of the planning application, OVG Manchester has stated that it is '**hugely concerned**' about Covid-19 and that it will be a '**huge effort to get the economy back on its feet**'¹².

5.19 Whilst it is our client's view that the Eastlands Arena planning application would result in unacceptable impacts even if the leisure economy was not subject to the effects of Covid-19, it is very clear from the above that the application submission needs to address the current recessionary conditions and the potential long term effect on the sector within Manchester city centre.

5.20 Notwithstanding the above, we set out our client's concerns in respect of the two strands of the impact test below based on the current application submission documents.

Impact on Existing, Committed and Planned Investment

5.21 We believe that there are three very significant investments in Manchester city centre's leisure economy which are of direct relevance to this application proposal.

5.22 Firstly, Printworks secured planning permission on 11 February 2020 for a series of external works to the building elevations, improvements to entrance features, new signage and new LED screens. The works will remove redundant clutter from the façade of the building, provide more streamlined signage, and open up and improve the three entrances to Printworks. The purpose of the investment is to

¹⁰ As reported in the article headlined 'Coronavirus latest: UK facing 'severe recession likes of which we have not seen'', says Rishi Sunak', inews.co.uk, 19 May 2020

¹¹ A group of more than 3,000 hospitality business owners who are working together in the best interests of the hospitality industry and its employees to respond to the Covid-19 pandemic

¹² As set out in a statement posted on the eastlandsarena-consult.com website

ensure that Printworks has a more attractive, contemporary and uniform appearance, which is consistent with the building's heritage. The proposed investment also includes a comprehensive internal refurbishment of the complex in order to provide a world-leading immersive and interactive customer experience.

- 5.23 The value of the planned investment is around £9m. Whilst the investment is important to ensure that Printworks continues to operate in the long term as a focal point of the city centre's leisure and evening economy, our client is concerned about the impact of the Covid-19 pandemic and the Eastlands Arena proposal on its planned investment. Both of these factors will undermine future occupier interest and our client's future strategy for Printworks.
- 5.24 Accordingly, the grant of planning permission for the Eastlands Arena proposal would result in our client reviewing its planned investment programme.
- 5.25 Secondly, we note that ASM Global, as operators of Manchester Arena, proposes a very substantial multi-million pound investment to improve the appearance of its venue, increase its capacity (to around 24,000) and provide for additional concourses, bars and restaurants. We are aware that ASM Global has instructed HOK to work up the proposals and that it is currently engaging with the City Council in order to be in a position to submit a planning application later this year for an appropriate scheme. We understand that the value of this city centre investment would be up to £100m.
- 5.26 Our client is aware that ASM Global's position is that the Manchester market would not support two viable arenas and, as such, it has significant concerns in respect of Manchester Arena's ability to trade successfully alongside a directly comparable facility at Eastlands. As a consequence, we understand that ASM Global's view is that the grant of planning permission for the Eastlands Arena would make its planned significant investment undeliverable.
- 5.27 Thirdly, we are aware that the Council is dedicating significant funds to bring forward the Factory venue at St John's Quarter in Manchester city centre. Prior to the impact of the Covid-19 pandemic, the Factory was due to open before the 2021 Manchester International Festival. It will comprise a 1,500 seat theatre space and 5,000 capacity flexible performance space (known as 'the warehouse'). We understand that the total value of the investment at the Factory is over £130m.
- 5.28 Whilst the proposed Eastlands Arena would have a capacity in excess of 20,000 spectators, modern arenas can be configured in a number of ways (through the positioning of the stage and closure of

upper tiers) and it is not uncommon for such venues to host events with an audience of around 5,000. We note that the City Council¹³ has indicated that the Factory is ‘...**designed to host everything from major concerts to intimate performances, immersive theatre, exhibitions and installations.**’ In this regard, the Manchester International Festival website¹⁴ indicates that, in the lead-up to the Factory’s opening, it has commissioned a series of previews which present the types of event that could be accommodated within the venue when it opens. It is notable that three out of the four events presented were music concerts (namely Bonobo, Bugzy Malone and Bicep). Accordingly, the available evidence (and the format of development) points to the 5,000 capacity warehouse being used to accommodate music events on its completion.

5.29 As such, there would appear to be the potential for an arena at Eastlands to attract events and performances that may otherwise be hosted by the Factory and, in doing so, undermine the very significant public investment that is currently underway.

5.30 We note that each of the above investments is considered only very briefly at Table 10.1 of the applicant’s Planning Statement. Given the multi-million pound nature of each of the planned investments, we believe that it is necessary for the applicant to address each of these proposals in detail.

5.31 In any event, the analysis that has been presented relies on a number of assumptions which are either erroneous or untested.

5.32 In this regard, we note that the applicant assumes:

- Printworks will press ahead with its planned refurbishment regardless on the basis that it will ‘...**provide a major boost to the City’s visitor economy and increase footfall**’;
- Manchester Arena and Eastlands Arena would trade successfully alongside one another, and that the Eastlands Arena proposal would act as the catalyst for the investment at the existing arena to be realised; and
- the Factory will be a theatre and arts venue, with no apparent likelihood of it hosting large music events.

¹³ As reported by the Regeneration section of Manchester City Council’s website (https://secure.manchester.gov.uk/info/500113/city_centre_regeneration/7691/the_factory_-_a_new_creative_space_for_the_city_centre)

¹⁴ mif.co.uk/previous-festivals/pre-factory-events/

5.33 Clearly, the decision to proceed with planned investment, and the likely success of that investment, are matters to be given very careful consideration by landowners and operators. At the heart of the decision making process is the buoyancy of the market that would be served by the investment, the likely return on investment, and the amount of risk involved. All of these factors are impacted by the provision of competing development elsewhere which would cater for the same market opportunity. In our client's view, the submitted Planning Statement fails to grapple with the scale and complexity of the above three investments, and fails to provide any objective analysis in respect of how they could be impacted by the proposed Eastlands Arena development.

5.34 We note that paragraph 015 of the Town Centres PPG indicates that:

'Where wider town centre developments or investments are in progress, it will also be appropriate to assess the impact of relevant applications on that investment. Key considerations will include:

- **the policy status of the investment (i.e. whether it is outlined in the Development Plan**
- **the progress made towards securing the investment (for example if contracts are established)**
- **the extent to which an application is likely to undermine planned developments or investments based on the effects on current/forecast turnovers, operator demand and investor confidence.'**

5.35 The Planning Statement fails to make any genuine attempt to understand how the criteria set out in the above second and third bullet points apply to the planned investments into Manchester city centre.

5.36 In practice, the delivery and successful operation of planned city centre investments would be at risk as a consequence of the grant of planning permission for the Eastlands Arena application proposal. As such, our client believes that the application proposal is not consistent with the requirements of the first part of the NPPF paragraph 89 impact test.

Impact on the City Centre's Vitality and Viability

5.37 The failure to undertake an assessment of Manchester city centre's vitality and viability is a fundamental flaw in the submission documents which should be rectified before the determination of the planning application.

5.38 Our client is also concerned that the findings of the applicant's assessment of the proposal on the city centre's vitality and viability are based on assumptions which do not bear close scrutiny.

5.39 In particular, we note that the applicant's position is that there is a clear need for a further arena as the Manchester market can support two comparable facilities. We note that the applicant relies on reports prepared by PWC¹⁵ and ekosgen¹⁶ (provided as Appendix 8 of the applicant's Environmental Statement), and that ASM Global, as operator of Manchester Arena, relies on a report by Grant Thornton¹⁷ to support its contrary view. We anticipate that ASM Global will submit representations in response to the Eastlands Arena application and request that appropriate consideration is given to its views and knowledge of the local market in determining this planning application.

5.40 In our view, key matters to consider in assessing the ability of two arenas to operate successfully in the Manchester market include the following.

The Adequacy of the Existing Provision in Manchester

5.41 Manchester accommodates a wide variety of venues that are able to accommodate musical concerts and entertainment events, from those that are of a moderate scale (the Deaf Institute, Yes and Manchester University's venues) to those that are large (Manchester Arena, the Etihad Stadium and Old Trafford cricket ground). The Apollo theatre, Victoria Warehouse and Mayfield Depot¹⁸ are also able to host significant musical acts (with artists sometimes preferring to play multiple nights at one of these venues rather than one night at Manchester Arena).

5.42 As a consequence of the existing provision, the vast majority of major touring acts play Manchester and we understand that ASM Global's clear position is that there is no issue in respect of the Arena operating at full capacity such that acts are turned away. Indeed, this matter is addressed directly by an infographic published online¹⁹ by Manchester Arena in response to the Eastlands Arena application submission. The infographic unambiguously confirms that **'Manchester Arena has ample spare capacity, both in terms of seating capacity at current events and calendar days.'**

5.43 Accordingly, on the basis of the Arena's own understanding of the market it serves, and with reference to the fact that there is no issue with Manchester dates being incorporated in the touring schedules of major artists and events, we do not believe that there is any current shortfall in large-scale events

¹⁵ Due Diligence Report Volume I: UK Arenas and Manchester Market Overview, PWC, March 2020

¹⁶ UK Large Arena Market and Growth Scenarios 2018-2040, ekosgen, February 2020 and Economic Impact of Two Arenas in Manchester, ekosgen, February 2020

¹⁷ Manchester Arena: Economic Impact Assessment, Grant Thornton, June 2019

¹⁸ The first two venues each have a capacity of around 3,500, and the latter has a capacity of around 10,000

¹⁹ Available at <https://together.manchester-arena.com/>

provision in Manchester.

The Operation of Multiple Arenas in Other UK Cities

5.44 Page 10 of ekosgen's UK Large Arena Market and Growth Scenarios 2018-2040 report identifies London and Birmingham as the only two UK cities to accommodate two arenas with a capacity of more than 10,000. London is an entirely different market, with a far higher population and a greater ability to attract visitors to support shows and events. As such, we believe that the position in London is not of direct relevance to the proposal.

5.45 The same page of the ekosgen report sets out Pollstar data which provides annual ticket sales data for larger arenas, including Manchester Arena, Arena Birmingham and Genting Arena (now known as Resorts World Arena), which is located at the NEC. ekosgen's report indicates that, between 2014 and 2018, Manchester Arena sold an average of 950,000 tickets per annum, Arena Birmingham sold 520,000 tickets, and Genting Arena sold 480,000 tickets. Accordingly, the applicant's own evidence indicates that the combined ticket sales of the two Birmingham arenas was only around 50,000 (or 5.3%) higher than Manchester Arena's over a period of five years.

5.46 Given that Manchester Arena operates at less than full capacity, we do not believe that the trading performance of arenas in Birmingham (or any other UK city) supports the proposition that Manchester requires two arenas to satisfactorily serve market requirements. Indeed, an objective analysis of how arenas trade elsewhere demonstrates that the Manchester market is already appropriately served.

The Future Growth of the Arena Market

5.47 Paragraph 9.35 of the applicant's Planning Statement acknowledges that there has been limited growth in the number of arena visitors to Manchester over the past ten years. Accordingly, the applicant's case relies on the new facility effectively creating its own market growth.

5.48 Page 14 of ekosgen's UK Large Arena Market Growth Scenarios 2018-2040 report indicates that new arena developments in Leeds and Glasgow resulted in a growth in the local market of over 20%. However, it should be noted that neither Leeds nor Glasgow previously had a comparable large-scale arena venue. Whilst it is clear how the market could expand in such circumstances, the position in Manchester is not comparable.

- 5.49 In this context, we note that ekosgen considers the future growth of the Manchester arena market with regard to three scenarios. Each of the scenarios is derived from national data (rather than through reference to the Manchester market in particular), and Scenarios 2 and 3 in particular provide for a substantial uplift in demand directly simply as a consequence of the new arena being built. This is despite the fact that the Eastlands Arena site is less centrally located, less well connected to public transport hubs, and therefore more difficult to access for many potential visitors.
- 5.50 Importantly, we also note that the growth rates utilised by each of the scenarios are significantly greater than the recent annual average growth in attendance at music concerts identified at page 16 of the ekosgen UK Large Arena Market Growth Scenarios 2018-2040 report. Indeed, the ekosgen report readily acknowledges that growth in music events and attendance throughout the period 2014 to 2018 is low but assumes that this is indicative of a ‘...**a lack of new capacity...**’, rather than being reflective of any general trend. No justification is provided to support this view. Indeed, ekosgen’s assessment clearly fails to account for the fact that the arena market has now matured and that, as a consequence, most large urban areas have access to such a facility. In such circumstances, it is unclear as to how replicating existing facilities will substantially increase future demand.
- 5.51 We believe that all of the market growth scenarios modelled by ekosgen are optimistic. Its preferred ‘trend based and arena boost’ Scenario 2 suggests a level of growth which is significantly in excess of that which has been apparent in the Manchester market in recent years. This is before account is taken of the potential implications of the Covid-19 pandemic on the economy and the leisure sector in particular.

Conclusions in Respect of the Impact of the Proposal on City Centre Vitality

- 5.52 As a consequence of the above, our client has significant concerns in respect of the methodology used by the applicant in order to try to justify a need for two arenas.
- 5.53 Our client believes that an objective analysis of the application submission documents supports ASM Global’s view that only one arena may be able to trade viably in practice. The loss of Manchester Arena would be disastrous for the city centre leisure economy, and the impact would be further exacerbated through a consequential loss of custom at Printworks, the Corn Exchange and at other city centre operations which benefit from ‘spin-off’ trade arising from visitors to the Arena.
- 5.54 Even if Manchester Arena were to remain operational, it would lose a very substantial proportion of its

events calendar to Eastlands. This is confirmed by page 21 of ekosgen's Economic Impact of Two Arenas in Manchester report which indicates that Eastlands Arena could claim the majority (up to 55%) of the market.

- 5.55 It is notable that the applicant fails to provide any meaningful assessment of the loss of footfall, custom and expenditure from city centre food and drink operators arising from the application proposal, and fails to make any reference to potential changes in the viability of operations at Printworks, Corn Exchange and other areas in proximity to Manchester Arena.
- 5.56 Instead, the applicant simply assumes that 80%²⁰ of any spin-off visitor expenditure arising from trips to Eastlands Arena would be spent within the city centre. In our client's view this is implausibly high, given that the Eastlands Arena proposal would incorporate 17,451 sq.m of Class A1, A3, and A4 uses in order to encourage its patrons to arrive early, stay late and forsake the attractions of the city centre. Some of this floorspace would be operational even when the Arena is not, thereby likely diverting further trade from city centre locations.
- 5.57 It is imperative that a proper assessment is undertaken of the impact of the application proposal on city centre food and drink operators. Our client believes that any such objective assessment would identify a significant adverse impact arising at Printworks and other leisure venues within the city centre as a consequence of the proposal.
- 5.58 Given all of the above, it is our client's view that the application proposal submission is contrary to the provisions of the second part of the NPPF paragraph 89 impact test.

Summary in Respect of Sequential and Impact Tests

- 5.59 The applicant's approach to the sequential test is flawed, such that sites have been identified as being unavailable to accommodate the application proposal without any proper objective assessment of whether they could be acquired in practice. In particular, given the scale of the application proposal and the NPPF paragraph 87 requirement to *fully explore* the potential of sites, it is not appropriate to dismiss sequential alternative sites simply on the basis that they are in more than one ownership. As a consequence, our client does not believe that the application submission demonstrates the proposal's

²⁰ As set out at Page 23 of ekosgen's Economic Impact of Two Arenas in Manchester report

compliance with the sequential approach to development as set out by the NPPF.

- 5.60 The applicant's approach in respect of impact is fundamentally flawed due to the absence of a baseline appraisal of the vitality and viability of Manchester city centre. Its assessment also fails to take any account of the ongoing and long term impact of the Covid-19 pandemic.
- 5.61 Furthermore, in respect of the impact of the proposal on existing and planned investment, the applicant has considered multi-million city centre investment in a cursory manner which is inconsistent with the requirements of the Town Centres PPG. Our client's view is that planned investment at Manchester Arena and Printworks would be put at risk through the grant of planning permission for the proposed Eastlands Arena development. The successful operation of ongoing investment at the Factory could also be prejudiced by the application proposal.
- 5.62 Our client believes that the applicant's consideration of the impact of the proposal on city centre vitality and vitality is based on untested and unduly optimistic assumptions which do not reflect the Manchester market and the performance of arenas elsewhere in the UK. No proper assessment of the application proposal on Manchester city centre food and drink operations has been undertaken.
- 5.63 Our client shares ASM Global's concern that the successful future operation of Manchester Arena would likely be prejudiced by the application proposal, resulting in a significant consequential impact on its own Printworks operation. Both operations 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 a consequence, the application proposal directly contravenes the requirements of paragraph 89 of the NPPF.

6.0 Other Matters

- 6.1 This representation focuses on the acceptability in principle of the proposed land use. Notwithstanding this, we also note that there are a wide range of technical matters to be considered in respect of an application of this scale which the City Council will need to take into consideration.
- 6.2 Our client is particularly concerned that the location of the Eastlands Arena application site is not as sustainably located and accessible as the existing Manchester Arena site, which is immediately adjacent to Metrolink and train services at Victoria Station and in close proximity to Shudehill bus station. Manchester Arena is one of the most accessible locations within the city centre.
- 6.3 The location of the Eastlands application site is such that many visitors would have to make multiple changes on public transport in order to access it. In doing so, many would pass through Victoria Station and straight past the existing Manchester Arena site. Others would find Eastlands far easier to travel to by car and would choose to visit using this form of transport.
- 6.4 As a consequence of the above, our client is concerned about the general sustainability of Eastlands as a location to accommodate an arena development. In our client's view, locating development which supports such a significant level of trips in an out-of-centre location appears contrary to the principles which led the Council to declare a climate change emergency in July 2019. It is also concerned that providing an arena use in a less sustainable location is contrary to national planning policy objectives.
- 6.5 Our client also notes that the proposed Eastlands Arena would be operational on Etihad Stadium matchdays, and believes that the impacts arising on the surrounding highway network could be severe as a consequence. Our client requests that the Council gives appropriate weight to transport and sustainability matters in determining the application, and reserves the right to submit supplementary representations in this regard should it be appropriate to do so.

7.0 Summary and Conclusions

- 7.1 This representation sets out DTZ Investors' objection to planning application reference 126431/FO/2020, which seeks planning permission for a Class D2 multi-use arena together with Class A1, A3 and A4 uses and associated highways, access, servicing, landscaping, public realm and other works at Eastlands. The application site effectively comprises an out-of-centre location in planning policy terms. As such, the application proposal is subject to the sequential and impact tests in order to determine its acceptability.
- 7.2 The types of uses proposed by the planning application are already available within the city centre, in the form of Manchester Arena, Printworks, the Corn Exchange and surrounding leisure uses which have developed in a complementary manner in the area. Accordingly, it is our client's view that any benefits associated with the proposal are substantially outweighed by the impact of the development on existing facilities which form the bedrock of the city centre leisure economy.
- 7.3 In respect of the sequential approach to development, the applicant deploys a flawed methodology which fails to *fully explore* the potential offered by sequentially superior sites. In particular, the dismissal of sites simply because they comprise two or more land ownerships is wholly inappropriate given the scale of the proposed development. Such an approach is inconsistent with the policy requirement to allow a *reasonable period* for alternative sites to come forward.
- 7.4 As a consequence, our client's view is that the application submission fails to demonstrate compliance with the sequential test.
- 7.5 In terms of impact, the application submission was prepared and submitted before the severity of the ongoing Covid-19 pandemic and its impact on the leisure economy became apparent. The leisure sector has collapsed as a consequence of the Government's enforced lockdown and the effect of Covid-19 on the sector will be long-term and far-reaching.
- 7.6 The world has changed substantially since the application was submitted and the submission must respond to that change. The significant long term effect of Covid-19 on the economy is clearly accepted by the Government, the City Council and the applicant. The impacts arising from the application proposal must therefore be viewed in the context of the ongoing Covid-19 pandemic.

- 7.7 Notwithstanding this, our client believes that the existing evidence indicates that the application would have a significant detrimental impact on planned investment which seeks to further improve leisure provision within the city centre.
- 7.8 We understand that the grant of planning permission would prevent ASM Global proceeding with significant planned investment (which has a value up to £100m) to expand, improve and refurbish Manchester Arena. Our client's planned investment at Printworks (for which it recently secured planning permission) would also be put at risk. Furthermore, the successful operation of the City Council's own Factory development could also be prejudiced by the proposal.
- 7.9 Our client also believes that the applicant's case in seeking to demonstrate that there would be no unacceptable impact on city centre vitality and viability as a consequence of the development is flawed. It does not believe that the applicant has satisfactorily demonstrated that two successful and viable arena operations could trade alongside one another in Manchester. As a consequence, it shares ASM Global's concern that the ongoing operation of Manchester Arena would be prejudiced through the implementation of the proposed development. Furthermore, the application proposal would result in a very significant loss of trade to nearby food and drink operations which cater for the Arena audience, including Printworks and the Corn Exchange.
- 7.10 As a consequence of the above, DTZ Investors is firmly of the view that the application proposal submission fails to accord with the requirements of the sequential and impact tests as articulated by paragraphs 86, 87, 89 and 90 of the NPPF. For the same reason, the proposal is inconsistent with the objectives of Core Strategy Policies CC1, CC4, C1 and C9.
- 7.11 The City Council will need to consider all matters of relevance to the application in forming its view in respect of the acceptability of the proposal. These will include any benefits arising from the proposal (which our client believes have been significantly overstated by the application submission) and matters relating to sustainability, accessibility and highways. Notwithstanding this, our client believes that the application's failure to accord with national town centre planning policy provisions must be afforded very substantial weight and merits the refusal of the planning application.
- 7.12 We trust that this representation appropriately sets out our client's significant concerns. We would be pleased to engage with the Council to provide further clarification in respect of any matter raised above. We also reserve the right to provide further supplementary information, and respond to submissions

made by the applicant and interested parties, in order to assist the Council in its determination of the application. We ask that we are kept informed of the Council's progress in considering the application progress and that we are notified of further submissions in support of the proposal.

**Nexus Planning
Manchester**

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