

P20-0884/BC/KS

10th June 2020

Ms Jennifer Atkinson
Planning and Borough Department
Manchester City Council
Town Hall
Manchester
M60 2LA

Dear Ms Atkinson

Objection to Eastlands Arena Application
Etihad Campus, Manchester
LPA ref. 126431/FO/2020

On behalf of our client, Manchester Nominee (1) Ltd and Manchester Nominee (2) Ltd, we write to strongly object to the current planning application ref. 126431/FO/2020 submitted by OVGM Manchester Ltd relating to the proposed development at the site south of Sportcity Way, east of Joe Mercer Way, west of Alan Turing Way and north of the Ashton Canal at the Etihad Campus, Manchester for:

"Erection of a multi-use arena (Use Class D2) (61082 sqm) with a partially illuminated external facade together with ancillary retail/commercial uses (Classes A1, A3 and A4), with highways, access, servicing, landscaping, public realm and other associated works."

Manchester Nominee 1 (Ltd) and Manchester Nominee (2) Ltd, known as Manchester JV Limited (hereinafter referred to as MJV), are the long leasehold owners of **Manchester Arndale** which is in the heart of Manchester City Centre. The contribution of Manchester Arndale should not be underestimated. The Centre provides for 10,045 jobs (2.3% of all City Centre jobs) with associated earnings of £211m. It also generates a GVA of £350m and pays business rates of circa £17m. Its continued success is a significant contributor to the vitality and viability of the City Centre.

It is a major attraction for visitors to the City Centre and is a key asset to the City Centre's overall vitality and viability, attracting investment to surrounding land and property assets through footfall and attracting national retailers and operators creating a critical mass for investor confidence. Out-of-centre development which has a significant adverse impact on the overall health of Manchester Arndale and the wider City Centre's vitality and viability must be resisted in accordance with national and local planning policy.

In this context, our client has serious concerns with regard to the proposed scheme, in particular relating to:

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- The creation of a significant out of centre leisure Arena in direct competition with the City Centre provision which will draw footfall and corresponding spend potential from the City Centre;
- The creation of a significant retail component (17,451 sqm gross of A1, A3 and A4 uses, of which up to 7,530 sqm could be operated as Class A1) which will become a destination in its own right in direct competition with the City Centre; and
- The paucity of a proper assessment of retail impact given the scale of retail floorspace proposed. The approach taken is contrary to national and local policy. This on its own would be sufficient to refuse the application as the Council has no assessment against which to measure recognised key determining retail planning policy.

It is for these principal reasons that the application **should be refused**. These key issues of concern are detailed further below.

Impact on Vitality and Viability of Manchester City Centre

The application site at the Etihad Campus is located a considerable distance from Manchester City Centre (circa 1.4km) and from the Primary Shopping Area itself (2.2km), as shown in Figure 1 below. As such the site lies within an out-of-centre location in planning policy terms.

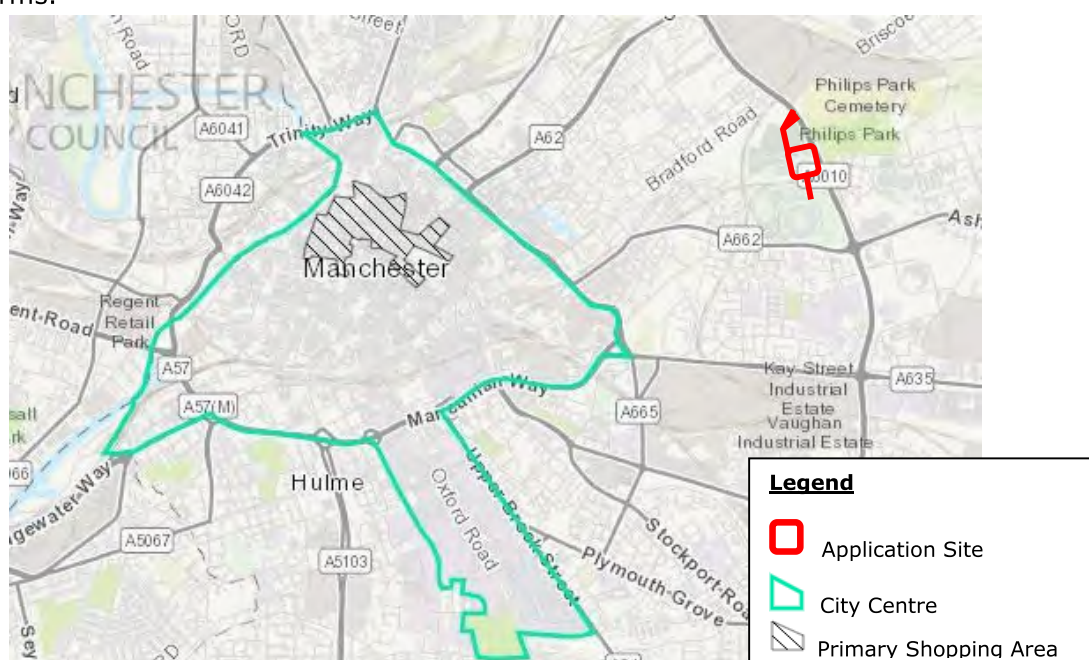


Figure 1: Extract from MCC Proposals Map, showing Application Site in relation to Primary Shopping Area and City Centre boundary

i. Nature of the Proposed Retail Uses

The application documents state that in addition to the Arena itself, 17,451 sqm (GEA) of mixed A Class uses set across the five levels is also proposed, incorporating Class A1 retail, restaurant and bar (A3/A4) uses. This is a significant amount of retail floorspace proposed in this out-of-centre location.

Specifically, the proposal seeks flexible A1, A3 and A4 floorspace of 7,530 sqm; flexible A3 and A4 floorspace of 9,880 sqm; and A3 floorspace of 41 sqm. This would allow for up to 7,530 sqm of Class A1 use to operate from the arena, and a significant food and drink destination comprising 9,921 – 17,451 sqm floorspace.

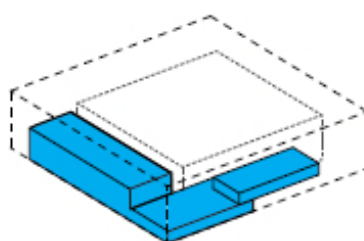
The Planning Statement indicates these proposed A class uses will support the operation of the arena on event days, with Paragraph 7.21 describing these as *"ancillary commercial uses (in the form of food and beverage and retail units)."* This is reflected in the description of development which refers to *"ancillary retail/commercial uses (Classes A1, A3 and A4)."* However the Planning Statement goes on to state 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 – providing an additional benefit to the local community"*.

The Design & Access Statement goes on to outline the aim of the proposal to *"create attractive retail spaces for event and non-event times"* and optimise access and visibility to food and beverage offerings during events and non-event times in order to increase number of spectators and site visitors able to use the facilities.

This given, it is clear that what is being created here is a **significant retail destination**. To describe up to 7,530 sqm of destination retail (Class A1) floorspace as ancillary is frankly perverse. Particularly when the application itself recognises that the retail space serves to create a wider experience and will be accessible outside of 'event times'.

The application does not make clear the exact amount of A1, A3 and A4 floorspace which would be operational outside of event days, however it would appear to be significant given the total A class use area at first floor (which can be accessed from the canalside) provides 4,840 sqm floorspace (of which 3,566 could be operated as Class A1 use); not including the A class use floorspace also provided at the ground and further three upper floors, amounting to 17,451 sqm total.

Furthermore, Paragraph 5.19 of the Design & Access Statement also refers to the labelling of public entrances to the arena building as A-G, with the exception of the Canalside, which *"has been given a name as this is a destination rather than concourse access."* The Design & Access Statement also outlines the design principles at Part 3.5, including how the use of the arena building for non-event days has been considered as a "new destination", as can be seen in Figure 2 below.



Non-Event Day
A New Destination

Figure 2: Extract from Part 3.5 of the Design & Access Statement

The application submission itself therefore acknowledges that the retail uses will serve as a destination in their own right, rather than being ancillary to the predominant arena use.

Policy EC5 of the Core Strategy (East Manchester) states that the majority of intended provision of employment land will be within the Regional Centre, including at Eastlands, "a major leisure visitor destination with ancillary retail and offices" (our emphasis). Policy EC7 (Eastlands Strategic Employment Location) states that "developments that are predominantly tourism / leisure based, including hotels and food and drink will be appropriate together with ancillary retail required to support the principal uses" (our emphasis). The submission clearly indicates that retail uses are proposed beyond the extent that is required to support the principal arena use, and as such are not wholly ancillary in nature, which is contrary to these policies, notwithstanding lack of justification of the quantum of retail floorspace in any event.

The striking feature of the proposal is the breadth of the competition with the City Centre that is evidenced by the application submission. There is every likelihood that in creating a new retail destination in an out-of-centre location, with competing leisure, A1, A3 and A4 floorpace, it will reduce the need to visit the City Centre. This will have a devastating impact on a City Centre which has already experienced an unprecedented reduction in trade and visitation following the Covid-19 pandemic lockdown. Such a proposal must be refused in the current climate as the proposal will have a significant adverse impact on an already challenging city centre retail and leisure economy.

ii. The threat associated with Out-of-Centre Competition and Decreased Footfall

The significant amount of retail and leisure floorspace (totalling 68,608 sqm, of which 17,451 sqm is A class use, and up to 7,530 sqm could be operated as Class A1 use) proposed in this out-of-centre location will result in direct competition with Manchester City Centre, to the detriment of the vitality and viability of the City Centre.

Manchester City Centre has a dominant role as the prime economic generator in the region. A healthy and vibrant City Centre is critically important to the region's overall economic well-being. It is essential that the City Centre maintains its status as the highest order sustainable location in the region, in accordance with Policy C1 (Centre Hierarchy) of the

Core Strategy by maximising its economic potential and attracting more shoppers, workers, residents and visitors.

Policy C1 states that development of town centre uses (including retail and leisure) will be prioritised in the designated centres. Manchester City Centre, as the highest order centre, is identified as the regional focus for comparison retail, commerce, culture, leisure and tourism in the Manchester City Region. The supporting justification to Policy C1 states at Paragraph 10.11 that *"this [town centre] hierarchy has provided the **basis to resist significant out-of-centre retail development** whilst pro-actively supporting developments within existing centres and older existing retail parks"* (our emphasis).

Contrary to the aim of this policy, the proposed development will create a substantial new leisure and retail destination for the wider city region in an out-of-centre location, resulting in direct competition with City Centre provision of similar facilities, reducing the need to visit the City Centre. Indeed, the Applicant describes the proposal as a "national leisure attraction" and "major leisure visitor destination" which will incorporate "destination spaces".

It is evident that the proposed development is therefore intended to provide a new destination in itself, of a substantial scale, for both arena attendees as well as other visitors, local residents and shoppers alike (outside of event days). As such, footfall within the City Centre will undoubtedly decrease and existing retailers will suffer as a result of shoppers and visitors choosing to instead visit this out-of-centre 'destination' location. We understand that there is a real threat that the Manchester Arena could close in light of this out-of-centre competition.

Furthermore, Policy CC 4 of the Core Strategy states that the City Centre should be the focus for culture and leisure in the City Region. The proposal will also conflict with the wider aim of Policy CC1 which identifies the City Centre and Fringe as the primary economic development focus, seeking to encourage a range of economic development uses, including leisure and retail, within the City Centre.

Whilst it is acknowledged there may be spin off economic benefits for the locality in which the proposal is sited, the spin off benefits to the City Centre will be non-existent. The socio-economic assessment at Chapter 9 of the Planning Statement highlights the merits of the scheme in terms of the creation of jobs and generation of an additional £36 million per year in direct annual local spending, to benefit shops, restaurants, cafes and the hotel and accommodation sectors. The application submission suggests that a significant proportion of that additional spending will be within the City Centre. However this is not evidenced, and the applicant fails to address the consequential loss of existing trade, expenditure and footfall within the City Centre as considered in the following section of this letter, whereby local people are instead choosing to shop, dine and drink at this new out-of-centre 'destination'. Policy C9 seeks to protect the City Centre by refusing schemes which will have unacceptable impacts.

In addition, whilst jobs created are intended to be filled by local people wherever possible, many of these will go to people who are already employed locally within the leisure and retail sectors within the City Centre; displacing employment from the City Centre to this

out-of-centre location. This has the potential to further reduce City Centre spending potential.

Market conditions including the recent spate of 'high street' closures mean that Manchester Arndale and the City Centre are already competing with other parts of the City for a diminishing number of potential retail, food and beverage, and leisure occupiers. This market decline follows a background of slow growth since the recession, recent Brexit uncertainties, and has been further exacerbated by the Covid-19 event, which is likely to have a devastating effect on investor confidence in the short to medium term. This has not been addressed within the application and when viewed in this context, it is clear that the direct competition and associated decrease in footfall in the City Centre arising from the proposed out-of-centre leisure and retail uses is likely to have a significant adverse impact on the vitality and viability of the City Centre, contrary to Policies C1, C9 and CC4.

In summary, the proposed development comprises a significant out-of-centre development incorporating a substantial A Class element, which would harm the vitality and viability of the City Centre contrary to Policy C9 (Out-of-Centre Development) and in turn, the position of the City Centre in the hierarchy, contrary to the overarching aim of Policy C1 (Centre Hierarchy) of the Core Strategy.

iii. Inadequate Sequential Test and Impact Assessment

In relation to the submitted Sequential Assessment, no consideration is given to the potential disaggregation of uses and significantly, there is no assessment of potential sequentially preferable sites to accommodate the A Class element of the scheme only.

Moreover, there is no consideration of the proposed Class A1 element. A Retail Impact Assessment is not submitted in support of the application. This is particularly concerning, given the substantial scale of the proposed out-of-centre development, which would incorporate 17,451 sqm (GEA) of mixed A Class uses alone, of which up to 7,530 sqm could be operated as Class A1 use. **The lack of proper retail planning policy analysis is a significant flaw in the application submission.**

Sequential Assessment

Paragraph 87 of the NPPF requires applicants to demonstrate a flexible approach on issues such as format and scale when undertaking the sequential test for main town centre uses, the purpose being to ensure that town centre or edge of centre sites are fully explored.

The sequential assessment undertaken has not considered the extent to which existing venues in the City Centre (including Manchester Arena) can be altered to accommodate growth in market demand in more sequentially suitable, available and viable alternative locations. The assessment is also devoid of consideration of the planned investment in the City Centre which could accommodate the purported market demand in a sequentially preferable location, including at Manchester Arena.

Furthermore, there is no consideration of disaggregation of the very substantial A class use element of the proposal which comprises 17,451sqm. Instead the sequential assessment only considers whether sites already provide, or are capable of providing, complementary uses as part of the wider arena development proposed.

The proposed A class uses are evidently not all ancillary to the arena use, on the basis they would be operated on non-event days, and will form a destination in their own right as set out above.

This given, the disaggregation of the A class element must be considered in the sequential assessment in order to demonstrate due flexibility, which has not been undertaken. As such the requirements of the NPPF have not been met for the sequential assessment, and the application cannot be supported on that basis.

The only justification for such a significant element of A class use detailed in the submission is to encourage dwell time at the arena beyond event times, (i.e. drawing visitors away from the City Centre earlier), in order to minimise the demand on the travel network, particularly during peak times and on match days at Etihad Stadium. As such the amount of A class floorspace appears to have been maximised in order to achieve this aim, by diverting visitors from the City Centre to this less accessible out-of-centre location sooner. As such this will divert trade from the City Centre, which is entirely contrary to the sequential 'town centre first' approach set out within national and local planning policy.

The sequential assessment also focuses on the policy support for an arena at Eastlands based on the draft ERF (2019) which the Council has confirmed has been withdrawn and therefore no weight can be afforded to this in determining the application.

On the basis of the above, the submitted sequential test does not demonstrate the due flexibility required by Paragraph 87 of the NPPF to fulfil the purpose of ensuring that town centre [City Centre] or edge of centre sites are fully explored.

Impact Assessment

The 'impact assessment' submitted as part of the application merely comprises a 2 page light weight assessment in the Planning Statement. The assessment focuses almost entirely on the leisure offer of the arena and does not consider the impact of the additional proposed retail uses. The failure to provide a comprehensive impact assessment including consideration of the retail uses is a significant flaw in the submission, and clearly not sufficient to address the consequential impact of up to 7,530 sqm of out-of-centre Class A1 retail floorspace proposed, some 2.2km from the Primary Shopping Area of Manchester City Centre.

This level of floorspace is significantly larger than the 2,500 sqm threshold to undertake such an assessment as identified in the NPPF, and in light of the above section; that the retail uses will not be ancillary, but instead a 'destination' in their own right, raises serious concerns in relation to the adequacy of the application submission.

The lack of a conventional retail impact assessment is inexplicable given that the requirement for such a supporting document is set out in the Council's Planning Validation List (September 2018). In short, we do not understand why the application has been formally registered by the Council without an accompanied Retail Impact Assessment.

Given the scale of retail development proposed, we would have anticipated that at the very outset, robust evidence would have been provided to determine whether there would be any significant adverse impacts of locating retail development outside of Manchester City Centre on the application site.

Paragraph 89 of the NPPF states 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 sqm of gross floorspace). This should include an assessment of:

- a) 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
- b) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and the wider retail catchment (as applicable to the scale and nature of the scheme).

An impact test can only be properly applied by forecasting sales in the City Centre, as a precursor to assessing quantitative impacts of the proposed retail element on existing shopping facilities in terms of trade diversion.

Paragraph 90 of the NPPF makes clear that the sequential test and the impact test are 'gateway' tests, and that if an application fails either or both, it should be refused.

Paragraph 018 of the National Planning Practice Guidance sets out a checklist for use in applying the impact test, including (amongst other criteria) to establish the state of existing centres and the nature of current shopping patterns informed by an independent household survey (base year); determine the appropriate time frame for assessing impact, focusing on impact in the first five years, as this is when most of the impact will occur; examine the 'no development' scenario; assess the proposal's turnover and trade draw; consider a range of plausible scenarios in assessing the impact of the proposal on existing centres and facilities (which may require breaking the study area down into a series of zones to gain a finer-grain analysis of anticipated impact); set out the likely impact of the proposal clearly, along with any associated assumptions or reasoning, including in respect of quantitative and qualitative issues.

None of this conventional approach to assessing out of centre retail development is undertaken in support of the application. As highlighted above, given the scale of development any Retail Impact Assessment would need to be supported by empirical data in the form of an independent household survey to understand visitation and shopping patterns. Put another way, the application lacks both the qualitative and quantitative

assessment that one would expect to see with an application of such a substantial scale in terms of retail floorspace. This reason alone is sufficient for the application to be refused.

The National Planning Practice Guidance also details indicators to be considered to gauge the health of town centres (Paragraph: 006 Reference ID: 2b-006-20190722), including diversity of uses, retailer representation and intentions to change representation, vacancy levels, and pedestrian flows. No review of the health of Manchester City Centre has been made using such indicators.

Consideration of part (a) of Paragraph 89 in the submission is limited to assessment of investment into 4 leisure schemes within the Regional Centre, set out in the Planning Statement, and does not consider the impact of the proposal on investment in existing, committed and planned retail schemes in the City Centre.

Paragraph 10.84 of the impact assessment within the Planning Statement relates to the impact of the proposal on town centre vitality and viability required under part (b) of Paragraph 89 of the NPPF, stating "*Section 2 of this Statement details the findings of [the ekosgen and PwC] studies and therefore the response to this policy requirement.*" Section 2 of the Planning Statement simply outlines the Applicant's market case for a second arena in Manchester, and makes no reference to the impact of vitality and viability on the City Centre – either arising from the proposed leisure use, or the proposed out-of-centre retail uses. As such this clearly does not meet the requirements of Paragraph 89 of the NPPF.

The proposed development, including out-of-centre Class A1, A3 and A4 uses, cannot be given due consideration by the Council without a sequential test which considers disaggregation of the proposed A class uses, and without an impact assessment which addresses the retail element of the proposal.

iv. Impact on Manchester Arena

In terms of existing City centre leisure venues, Manchester City Centre has the benefit of the existing indoor 21,000 capacity Manchester Arena, which forms an important component of the City Centre's entertainment offer. The hosting of events in the Manchester Arena has positive spin off benefits for the City Centre as a whole.

The proposed out-of-centre arena, if approved, presents a very real threat to the viability of Manchester Arena, and consequently to the vitality and viability of the City Centre. We understand that the owners of Manchester Arena, SMG Europe Holdings Limited, have objected to this application.

It is clear that the proposed arena seeks to be the 'first choice' destination for all events when compared with other facilities. Indeed, the Design and Access Statement explicitly states that the Applicant seeks to make the OVG Manchester Venue "*the premier destination for all events*". It goes on to outline the Applicant's ambition to deliver "*the 'best in class' multi-purpose venue in Europe... creating **the preferred venue for performers and the touring community***" (our emphasis).

As such the proposed out-of-centre arena will clearly result in direct competition with the existing Manchester Arena located within the City Centre. The impacts of this on the viability of the existing arena, and on the associated spin off benefits within the City Centre, are highly concerning given the proposed arena is of such a significant scale, with a capacity of 23,500, greater than that of the existing arena at 21,000; and when viewed in the context that the arena and retail uses proposed are presented by the Applicant as a new “destination” which will clearly rival, rather than complement, the City Centre.

The Applicant has submitted three reports, prepared by PwC and ekosgen, in supporting the market case for a second arena. However notwithstanding the market case put forward, we understand that SMG Europe Holdings Limited, the operator of the City Centre Manchester Arena, uphold the view previously made in their representations to the draft Eastlands Regeneration Framework (ERF) Update (2019) that there is not sufficient demand for a second arena of the scale proposed.

The application is contradictory; stating there has been limited growth in the number of arena visitors to Manchester over the past ten years, with less than 10% of shows at Manchester Arena achieving greater than 15,000 attendees between 2014 and 2018. However the growth scenarios predict significant demand, even in the conservative scenario, and it is concluded that the ability of Manchester to sustain two arenas is linked to this demand and the economic success of the last 15 years.

The market case also relies heavily on precedent of other regions whereby two arenas successfully operate in the same catchment, as referenced in the PwC report. However the examples are not comparable; the report itself acknowledges that the two arenas in Birmingham are operated under common control of both venues, which allows for strategic programming to avoid event clashes. It also acknowledges the opening of the First Direct Arena in Leeds led to a decline in event numbers and revenue in Sheffield Arena.

The report indicates that the adaptation of the event mix of the existing arena would successfully facilitate the viable operation of two venues in Manchester, as it has in other regions. However this relies on the assumption that Manchester Arena is capable of accommodating such adaptation, and the application submission conversely highlights the lack of flexibility and design constraints of the existing arena to adapt to different event formats, as a key part of their case for requiring a second arena. This is clearly contradictory, and further augments the concern that Manchester Arena would not be able to successfully operate alongside the new arena.

Whilst the report implies the planned refurbishment of Manchester Arena could assist with the adaptation to a complementary offer, the proposed refurbishment is not being driven by such a requirement; and the refurbishment itself could be jeopardised in light of the threat to the viability of the arena, should the proposal be approved, which is considered further below.

A continuous theme of the market case is that the proposal will draw upon a greater pool of events not currently hosted in Manchester, following nationwide growth in sports and family events in recent years. However the new arena is presented in the application as the “*premier destination **for all events***” (our emphasis). As such the proposed arena will

clearly draw away events from the existing arena which it already successfully hosts, and is capable of continuing to do so, and not just host new events not currently hosted in the City. Whilst this is acknowledged on page 40 of the PwC report, they claim “*the existing arena is equipped to backfill with alternative content if this were the case*” but provide no further detail as to what content this would be and how it could be achieved, in light of the perceived constraints. Even if the proposed Arena was seeking to host events not currently hosted in Manchester, this cannot be controlled and therefore they would be able to book and host whichever acts and events they so wish including ones which Manchester Arena host.

Furthermore, the submitted Operating Schedule and Event Management Plan indicates that OVG Manchester will host in the region of 120 events a year. If these events were all on separate days, this amounts to a third (33%) of the year on which events are to be held in this out-of-centre location; with potential identified growth to 180 events (49% of the year). This is a significant number of events, and it is not clear whether this is forecasted on the basis of Manchester Arena operating at current capacity, i.e. in addition to the 140 events per annum which Manchester Arena already host, or in competition with it. If the latter, this would have serious consequences to the viability of the existing arena. In any event, it represents a substantial proportion of the year whereby trade would be drawn from the City Centre.

Ultimately, in the event Manchester Arena was to close or lose out to hosting events in light of out-of-centre competition, the consequential impact on the City Centre would be significant. At present, food and beverage facilities, hotel and retail provision all benefit from events being held in the Manchester Arena. Footfall within the Manchester Arndale for example is markedly up when the Manchester Arena hosts an event. Below is a snapshot of events hosted in 2019 showing a year-on-year uplift in footfall within the shopping centre:

- X Factor (3rd March) 13.4%
- George Ezra (16th March) 14.1%
- Nicki Minaj (18th March) 6.5%
- Shaun Mendes (7th April) 13.1%
- Michael Bublé (26th May) 15.8%
- Backstreet boys (10th June) 13%

Should Manchester Arena close, or indeed its operation considerably reduce as a result of the direct out-of-centre competition, footfall within the City Centre would be markedly decreased, and in turn the City Centre would suffer through consequential loss of associated spin-off benefits and expenditure within the centre. It would also lead to loss of jobs within the City Centre, offsetting those at Eastlands in a much less sustainable location. These impacts must not be underestimated.

The proposal will clearly draw footfall and trade from the City Centre, even from those working there. Those who work in the City Centre during the week who attend an evening event at the new arena will undoubtedly travel there earlier to use the retail, food and beverage facilities prior to the event starting, rather than staying in the City Centre to use such facilities and heading to the new arena only when the event is due to start. This is

endorsed by the Applicant itself on the basis that they consider that it would reduce the demand on the travel network during peak times.

In summary, the adverse impact on the vitality and viability of the City Centre arising from the proposed development would therefore be twofold; not only will visitor footfall be markedly decreased through displacement of those who would have previously visited the City Centre, who will instead visit the new out-of-centre leisure and retail “destination”, but footfall will also decrease further resulting from the adverse impact of the proposal on the viability of the existing arena and loss of the associated spin-off benefits to the City Centre, including jobs.

Non-Compliance with Statutory Development Plan

i. Development Plan

Applications must be considered against the Development Plan *as a whole*. The Development Plan comprises saved policies from the Unitary Development Plan (1995) and the Core Strategy (2012). These documents have not been updated, and pre-date both the NPPF (2019) and online PPG.

The NPPF (2019) and NPPG are material considerations of significant weight, which clearly support the town centre first approach to ensure the vitality of town centres.

Paragraph 213 of the NPPF states in respect of existing policies which pre-date the publication of the NPPF that “*Due weight should be given to them, according to their degree of consistency with this Framework.*”

Paragraph 23 of the NPPF states that “*Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address **objectively assessed needs** over the plan period, in line with the presumption in favour of sustainable development*” (our emphasis). Paragraph 31 goes on to state that the preparation of policies should be “*underpinned by relevant and up to date evidence.*”

The applicant relies heavily on the acceptability of the proposal when considered against Policy EC7 of the Core Strategy. However the Local Plan evidence base included no analysis of leisure or entertainment needs, and as such Policy EC7 was not derived from an objective assessment of need for more leisure space, nor did it give consideration specifically to a second large indoor arena or stipulate the size of the leisure visitor destination. As such this policy is not consistent with Paragraphs 23 and 31 of the NPPF set out above, which require policies to address objectively assessed need and be underpinned by relevant evidence. As such, in accordance with Paragraph 213, Policy EC7 can only be attributed limited weight in determination of the application.

Notwithstanding this, Policy EC7 itself states “*Developments which support the overall vision for this major regeneration initiative on sites within the general environs of Eastlands will be appropriate, **provided they do not prejudice other policies within the plan***” (our emphasis).

When considering the Development Plan *as a whole*, the proposed development would clearly prejudice and conflict with other policies in the Core Strategy, including Policies C1 and CC4 which together seek to direct leisure and retail uses to the City Centre in accordance with the centre hierarchy, given it is the most sustainable location. These policies are consistent and up to date with the NPPF, which supports the town centre first approach, and therefore should be given significant weight in the determination of this application, unlike Policy EC7 which can only be attributed limited weight. The proposed development clearly conflicts with these up to date policies and is therefore not in accordance with the Development Plan when considered as a whole.

ii. Eastlands Regeneration Framework and Emerging Policy

The publication of the Eastlands Regeneration Framework (ERF) Update (2019) has been cancelled by the Council, following a report presented to the Strategic Director – Growth and Development dated 14th May 2020. The report acknowledges failure to consult in accordance with statutory requirements should the document be progressed as an SPD, for which further consultation would be required. The report indicates the cancellation would also enable the Council to revise the ERF to bring it within the scope of a residual local development document, rather than an SPD.

In any event, given the current status of the withdrawn document, it cannot be afforded any weight in determination of the application.

Notwithstanding this, our previous concerns raised in the consultation to the draft ERF Update (2019) still stand; it is too early to bring forward such an opportunity/allocation within a Manchester City Council Policy document; either an SPD or local development document. It has neither been properly tested, nor is a non-statutory framework document the correct process to promote an allocation for major strategic development such as that proposed in the ERF.

The emerging Greater Manchester Spatial Framework and Local Plan Issues & Options Paper also cannot be given any weight in the determination of the application given their early stages of preparation.

Conclusion

The proposed development owing to its significant scale, out-of-centre location, and the nature of the proposed A class uses (which are intended to create a destination in their own right) will result in a significant adverse impact on the vitality and viability of Manchester City Centre, both in terms of reduced footfall and 'out-of-centre' competition for A Class uses.

Critically, the application submission fails to consider and assess the impact of the significant element of proposed retail use on both the vitality and viability of the City Centre and on existing, committed and planned investment in the Centre, in accordance with the requirements of national planning policy and practice guidance. In relation to the A1

element, there is no analysis of the proposal's turnover or trade draw from the City Centre arising from the proposed retail uses. This is extremely concerning, given 17,451 sqm (GEA) of A class floorspace is proposed, of which up to 7,530 sqm could be operated as Class A1 use; significantly above the 2,500 sqm threshold which triggers the requirement for an impact assessment, and will clearly draw substantial trade from the City Centre to a less sustainable out-of-centre location contrary to the 'town centre first' approach set out in national and local planning policy.

The requirement to consider the impact of the proposed development fully is evermore critical in light of the challenging trading conditions the City Centre currently faces, following the well documented spate of 'high street' closures and Brexit uncertainties, exacerbated by the Covid-19 pandemic, which will have a devastating effect on the retail and leisure market during a time where Manchester Arndale and the City Centre are already competing with other parts of the City for a diminishing number of potential retail, food and beverage, and leisure occupiers.

The sequential test also fails to adequately consider the substantial A class uses element including potential disaggregation of these uses; which are not ancillary to the arena use as set out above. Nor does it consider planned investment in the City Centre which could accommodate the purported retail and leisure demand. As such the sequential test does not demonstrate the due flexibility required by the NPPF to fulfil the purpose of ensuring that sequentially preferable town centre or edge of centre sites are fully explored.

The only apparent justification for the retail floorspace is to increase dwell time to smooth peaks in the local transport network, and as such the amount appears to have been maximised to achieve this aim. However this conflicts with the sequential approach of national and local policy which clearly seeks to direct retail uses to town centres first, and only when this cannot be accommodated, to consider edge and out-of-centre sites.

Contrary to the claims purported in the market case put forward, the proposed arena will threaten the viability of the existing Manchester Arena, which is located in a far more sustainable location within the City Centre. The hosting of events in the Arena has positive spin off benefits for the City Centre as a whole which benefit food and beverage facilities, hotel and retail operators.

In the event Manchester Arena was to close, the consequential impact on the City Centre would be significant. Not only would it result in the loss of the associated spin-off benefits and existing jobs, but it would consequently prejudice the planned investment in its refurbishment and works to the wider area to unlock the core around the Victoria Exchange precinct and enhance permeability to the City Centre, frustrating development of nearby land.

On the basis of the above, the proposed development would result in a significant adverse impact on the vitality and viability of the City Centre and the application does not provide sufficient evidence in accordance with the requirements of the NPPF to demonstrate otherwise.

The Development Plan policies which support the role of the City Centre as the primary focus for economic, retail and leisure proposals and support the vitality and viability of the City Centre are consistent with the approach in the NPPF and therefore are up to date and carry significant weight. By contrast, Policy EC7 can only be afforded limited weight, and must be read in conjunction with these other policies which clearly focus new retail and leisure development to the City Centre. The proposal conflicts with these policies and therefore is not in accordance with the Development Plan when considered as a whole.

In summary, MJV is extremely concerned about this proposal. It will create a significant out of centre leisure Arena in direct competition with the City Centre provision which will draw footfall and corresponding spend potential from the City Centre. The creation of a significant retail component (17,451 sqm gross of A1, A3 and A4 uses, of which up to 7,530 sqm could be operated as Class A1) which will become a destination in its own right in direct competition with the City Centre. Critically, the application has not been properly assessed, in particular the lack of Retail Impact Assessment is a serious omission from the supporting material.

As such, the application should be **refused** and there is evidently no material consideration which outweighs the long-established policy support for protecting the city centre's vitality and viability.

I trust the above will be given due consideration in the determination of this application.

Yours faithfully



Barry Cansfield
Senior Director

