

Economic Statement

Victoria House, Great Ancoats Street

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Client

Forshaw Land & Property Group Ltd

Our reference

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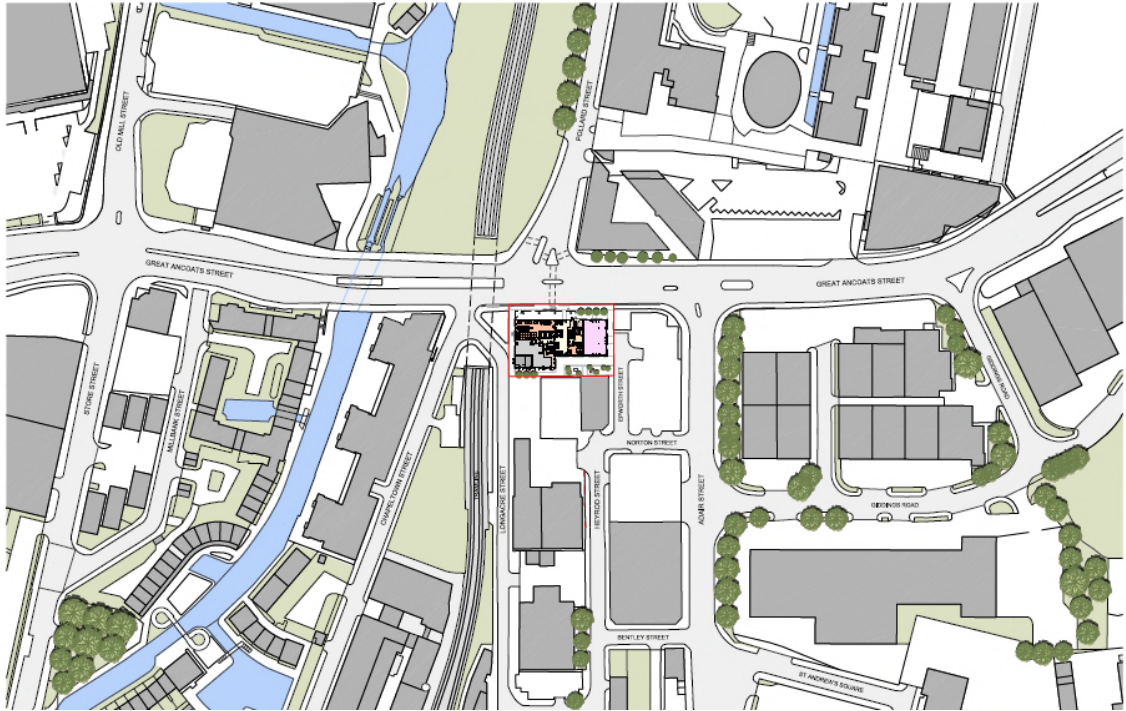
1. Introduction

- 1.1 This Economic Statement has been prepared by Turley on behalf of Forshaw Land and Property Group Ltd (“Forshaw” or “the applicant”) in support of an application for full planning permission for the redevelopment of Victoria House, Great Ancoats Street for the erection of a 25 storey residential tower with associated uses and a commercial unit at ground floor level (hereafter referred to as “the Proposed Development”).
- 1.2 This Statement is intended to assist Manchester City Council (MCC) (as the local planning authority) and other stakeholders in understanding the Proposed Development Site (PDS) and Proposed Development, and the compliance of the proposals with the prevailing planning policy framework.
- 1.3 An Environmental Impact Assessment (EIA) of the Proposed Development has been undertaken and the results are presented in an Environmental Statement (ES). The EIA / ES were undertaken on a voluntary basis on behalf of Forshaw. The scope was set out in a scoping opinion request submitted to Manchester City Council (MCC) on 23 October 2018.

The Site

- 1.4 This application relates to the redevelopment of the Victoria House building which is located within the adopted Portugal Street East (PSE) Strategic Regeneration Framework (SRF) area. The PSE SRF area is located within the adopted Manchester Piccadilly SRF area and seeks to realise the major regeneration benefits which the arrival of HS2 could have on the eastern side of the city.
- 1.5 Situated on the eastern edge of Manchester City Centre, the PDS is within a prime location with access to the Northern Quarter’s cultural facilities, the retail core, and the local public transport network and is therefore within a sustainable location for regeneration and development. The New Islington metro-link stop is located 450m to the north of the PDS and Manchester Piccadilly railway station lies 1km to the south-west of the PDS.
- 1.6 The PDS contains an existing single storey industrial unit currently used as a safety deposit centre with a service yard to the rear as can be seen within the red line plan below:

Figure 1.1: Site Location Plan



- 1.7 The building is lacking in architectural style and is detracts from the emerging, modern architectural high-rise developments which have been delivered along Great Ancoats Street. The PDS comprises previously developed land located within the boundary of Manchester city centre at the heart of an area which is undergoing, and will continue to undergo, transformational change as part of the Manchester Piccadilly SRF and PSE SRF.
- 1.8 The redevelopment of Victoria House will contribute positively to MCC's stated objective to create a sustainable lifetime neighbourhood with high-quality environments, good local facilities and easy access to employment opportunities.

The Planning Application

- 1.9 The Proposed Development is the subject of a full planning application. The description of development is as follows:

"Demolition of existing buildings and erection of a residential tower (Use Class C3) with commercial space (Use Class A1, A2, A3, A4 and D1) associated shared amenity spaces, cycle parking, recycling and refuse bin storage, associated plant and public realm enhancements"

- 1.10 Details of the proposals can be found with the Design and Access Statement, Planning Statement and Environmental Statement submitted with this application.

Structure

1.11 The remainder of this Statement is structured as follows:

- Section 2: Planning Policy
- Section 3: Assessment
- Section 4: Conclusion

2. Planning Policy

- 2.1 This section of the Economic Statement sets out the policies and planning guidance pertinent to the Proposed Development. This will include a review of national and local planning policy and guidance documents.
- 2.2 The Planning and Compulsory Purchase Act 2004 (PCPA) requires that determination of a planning application be made under the planning acts in accordance with the development plan unless material consideration justifies departing from the policy.
- 2.3 The principal documents which provide the relevant planning and economic policy context for the determination of this planning application are as follows:
- 2.4 The adopted Development Plan comprises:
- Manchester Core Strategy, adopted July 2012
 - Manchester Proposals Map
 - Extant Unitary Development Plan policies, adopted 1995 and alterations on various dates
 - Greater Manchester Joint Minerals Development Plan, adopted April 2013
 - Greater Manchester Joint Waste Development Plan, adopted April 2012
- 2.5 Other material considerations include:
- The emerging Greater Manchester Spatial Framework
 - Strategic Regeneration Frameworks
 - The National Planning Policy Framework
- 2.6 Those Policies within the Development Plan which are relevant to the loss of an employment use are summarised below.

Development Plan

Proposals Map

- 2.7 The adopted Proposals Map indicates that the site lies within the City Centre, where Core Strategy Policies CC1 – CC10 apply, and it lies just outside the boundary of East Manchester.

Figure 2.1: Extract from the Proposals Map



Manchester Core Strategy (2012)

- 2.8 The Core Strategy (CS) was adopted in 2012 and sets out the long-term spatial vision and policies for the City over the plan period (2012 to 2027). In accordance with Paragraph 213 of the National Planning Policy Framework (Framework) due weight should be afforded to Policies within the CS according to the degree of their consistency with the Framework.

Economy Policies

- 2.9 **Policy EC1 (Employment and Economic Growth in Manchester)** identifies Ancoats and the City Centre as a key location for employment growth. The Council will support significant contributors to economic growth and productivity including health, retailing, cultural and tourism facilities and other employment generating uses mainly in the City Centre. Policy EC1 identifies that design must make the best possible use of a site or building in terms of efficient use of space.
- 2.10 **Policy EC2 (Existing Employment Space)** identifies that the Council will seek to retain and enhance existing employment space and sites. Alternative uses will only be supported on sites allocated accordingly, or if it can be demonstrated that:
- *“The existing use is un-viable in terms of business operations, building age and format;*
 - *The existing use is incompatible with adjacent uses;*
 - *The existing use is unsuitable for employment having had regard to the Manchester -Salford - Trafford SFRA; or*
 - *On balance, proposals are able to offer greater benefits in terms of the Core Strategy’s vision and spatial objectives than the existing use.”*
- 2.11 **Policy EC3 (The Regional Centre)** states that the Regional Centre is an appropriate location for housing, although this should complement the development of mixed use employment areas. Subject to site and location details, the Regional Centre will generally be a location where higher density residential development is appropriate.

City Centre Policies

- 2.12 **Policy CC7 (Mixed Use Development)** relates to mixed use development and states that, other than locations specifically mentioned in Policy CC3, residential development will be supported as part of schemes which include employment. The Council must be satisfied that the proposals will contribute to the economic regeneration of the city and that the residential element of the scheme is of a scale which will ensure that the economic uses on site will be maximised. The Policy also states that active ground floor uses will be appropriate in locations which have an established public function, or as part of a development which will create such an environment.
- 2.13 **Policy CC8 (Change and Renewal)** relates to change and renewal. The Policy states that the Council will welcome large scale schemes in the city centre which make positive contributions to the city's role in terms of employment growth or which improve the accessibility and legibility of the centre. The Council will also support schemes which are likely to contribute to the promotion or improvement of the social, economic or environmental well-being of Manchester. Within areas identified for large-scale redevelopment, proposals will be expected to be prepared within an approved development framework.

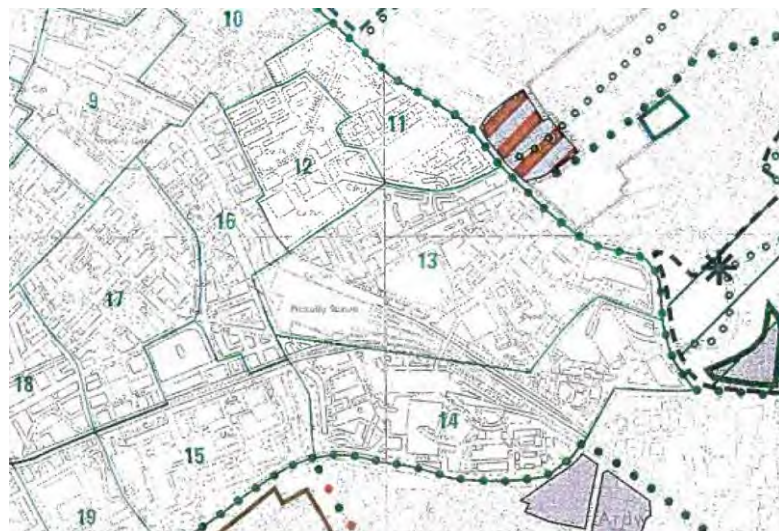
Saved Unitary Development Plan

- 2.14 The Original Unitary Development Plan ("UDP") was adopted in 1995. Following this, the UDP has been reviewed and altered and many of the policies have since been superseded by the Core Strategy. However, the policies that are 'saved' and have not yet been superseded and are pertinent to the proposed development.

Saved UDP Policies Map

- 2.15 As shown in the City Centre Map of City Centre Small Area Policies, the site lies within the boundary of Area 13 (RC20 Area 13 Piccadilly Station / Trading Estate).

Figure 2.2: Map of City Centre Small Area Policies



- 2.16 RC20 Area 13 is a predominantly industrial area which is characterised by premises ranging from relatively large older buildings around Chapel Street to modern floorspace on the Piccadilly Trading Estate. The area has potential for new development to take advantage of the ready access to the Inner Relief Route and to

the rail network. The Great Ancoats Street frontage offers particular opportunities for mixed commercial uses.

- 2.17 New development in RC20 Area 13 should seek not only to generate new activity but also to integrate it more closely into the City Centre as a whole. Environmental works throughout the area will be relevant to increasing its attractions as a working environment and these, together with improved access arrangements, will be important in sustaining and encouraging existing activity. Environmental measures, which will be valuable in this area, need to reflect the importance of the Great Ancoats Street frontage.

Other Material Considerations

Strategic Regeneration Frameworks

Manchester Piccadilly

- 2.18 Manchester City Council adopted the Manchester Piccadilly Strategic Regeneration Framework ("MP SRF") in March 2018.
- 2.19 The overarching objectives of the MP SRF are: to create a 'One Station Solution', providing seamless integration between national, regional and local transport modes; to improve station connectivity to the City and station integration with surrounding development; to provide a World Class Destination that serves not only the travelling public but also the local / wider environs; to remove constraints that currently fetter the main entrance to create a new public space that properly announces arrival into the city; and to strengthen wider connectivity with neighbouring areas.
- 2.20 The proposed development site is located centrally relative to the MP SRF area as a whole and is adjacent to the proposed new HS2 station entrance. The MP SRF identifies the site to lie within the Piccadilly Central area, which is proposed to be a district of dense, mixed use development focused around high quality public space. Piccadilly Central will represent a significant easterly expansion of the City Centre.

Portugal Street East Strategic Regeneration Framework (PSE SRF)

- 2.21 Portugal Street East is a sub-area of Manchester Piccadilly SRF. The purpose of the document is to guide the future development of the Portugal Street East Masterplan Area, to realise the opportunities created by HS2 and the potential of this area as a high quality neighbourhood that can act as a catalyst to regeneration of the wider HS2 masterplan. As such, the overarching objectives of the PSE Framework reflect those of the HS2 Framework.
- 2.22 The Vision for the emerging PSE SRF is:
- "... to shape and realise the city's ambitions to regenerate and transform the neighbourhood surrounding the Piccadilly train station and create a sense of place for the area. The successful delivery of the masterplan will create a new vibrant mixed-use, pedestrian community, which complements the arrival of HS2 and strengthens Manchester's Eastern Gateway."*

- 2.23 The PSE SRF sets the parameters for development in the area and establishes the design principles to which development should adhere. The PSE SRF identifies the potential for a 'landmark' in the north western corner of the PSE SRF adjacent to the intersection of Great Ancoats Street, Pollard Street and the Metrolink line/green boulevard/Chapelton Street. The PDS is located at this intersection and provides the opportunity to assist MCC in delivering the desired landmark.
- 2.24 The PDS is included within Phase 2 of the delivery of the PSE SRF. The second phase envisages two residential buildings with ground floor retail, café, restaurant / bars and other commercial units to maximise the active frontage to existing streets and proposed new public spaces.
- 2.25 Timescales for the delivery of Phase two are anticipated to be between 2018 and 2021.

3. Assessment

- 3.1 The Proposed Development currently comprises a safety deposit centre with a service yard to the rear. The existing use employs four full time employees and one part time employee. Policy EC 2 of the Manchester CS identifies the criteria which are to be used when considering the loss of an existing employment use and identifies that the Council will seek to retain and enhance existing employment space and sites. Alternative uses will only be supported on sites allocated accordingly, or if it can be demonstrated that:

- *“The existing use is un-viable in terms of business operations, building age and format;*
- *The existing use is incompatible with adjacent uses;*
- *The existing use is unsuitable for employment having had regard to the Manchester -Salford - Trafford SFRA; or*
- *On balance, proposals are able to offer greater benefits in terms of the Core Strategy’s vision and spatial objectives than the existing use.”*

- 3.2 Though the Policy identifies that only one of the criteria listed above needs to be complied with, the remainder of this chapter assesses the Proposed Development against Policy EC 2 and identifies that two if the criteria listed above are complied with.

Principle of Development

- 3.3 Policy EC 2 identifies that the loss of existing employment space will be supported if a site is allocated. The proposed development is not specifically allocated within the Proposal Map however, it is identified as being within the City Centre and subsequently City Centre Policies apply. As is established above and within the Planning Statement accompanying the application Policies CC2, CC7 and CC8 support the mixed use and residential development in areas which are identified for growth, change and renewal.
- 3.4 The PDS is also located within the adopted MP and PSE SRF’s which fully support the regeneration of the area. The saved Policies within the UDP also support the re-development of RC20 Area 13, specifically for development which provides commercial frontages to Great Ancoats Street and integrate this area more closely with the City Centre.
- 3.5 In light of the above, the Proposed Development will align closely with the Development Plan’s pro-economic growth and regeneration policies, which support the regeneration of the PSE SRF area and contribute substantially toward the specific development needs of the City Centre in terms of residential and commercial development.
- 3.6 Though the Site is not formally allocated within the Development Plan there is clear policy support in principle in the Development Plan and other material considerations for the regeneration of the PSE SRF area and the PDS specifically.

Adjacent uses

- 3.7 The PDS is located within the adopted MP and PSE SRF's which fully support the regeneration of the area. The following applications have been approved within the SRF:
- 121099/FO/2018 - Construction of two residential buildings with a linked central podium, to deliver 488 units, shared amenity space, 27 car parking spaces, 492 cycle spaces, landscaping (including new Public Park), lighting, highways and associated works following demolition of existing buildings and structures. Approved subject to Section 106 agreement 16 January 2020.
 - 121467/FO/2018 - Phased demolition of existing buildings including those within Plots A to E and delivery of public realm (including hard and soft landscaping, tree planting and street furniture), including a public square, highways improvements and associated works. Approved the application 16 January 2020.
 - 122599/FO/2019 - Demolition of existing building and erection of a 13 / part 14 (plant level) storey building to create a 275-bedroom hotel (Class C1) use. Approved 23 September 2019.
- 3.8 The building as proposed would not be compatible with the surrounding approved applications as it does not contain active frontages and is currently an unremarkable industrial building which will detract from the approved public realm development and hotel. Therefore in accordance with Policy EC 2 the loss of the existing employment use is justified as it is incompatible with proposed adjacent uses.

Benefits of the proposed development

Delivery of Core Strategy's vision and spatial objectives

- 3.9 The adopted Development Plan confirms that Manchester is the economic driver of the City Region largely because of assets such as the Regional Centre. This positive policy context has driven and focused substantial new development and regeneration within the City Centre over the last decade. However, the Development Plan still recognises that there are areas of the City which require investment and has subsequently published several SRF documents. The purposes of the SRFs are to promote the continued regeneration of the City and to meet the wider vision and objectives of the Development Plan.
- 3.10 The PDS is located within the adopted MP and PSE SRF's which fully supports the regeneration of the area and specifically the PDS. The vision for the PSE SRF identifies the City's ambitions to regenerate and transform the neighbourhood surrounding the Piccadilly Train Station to create a vibrant mixed-use, pedestrian community. The PSE SRF also identifies that the quality of the buildings within the Framework area would be of the highest possible standards, of high density and able to optimise strategic opportunity sites which can deliver much needed new homes.
- 3.11 The PDS is in a highly sustainable location and comprises an underused and unattractive building in a location capable of delivering a landmark development. These factors indicate that the existing site and building is no longer a valuable City

Centre asset that aligns with the aspirations and objectives for the City Centre and Manchester Piccadilly area.

- 3.12 The proposed residential and retail development, coupled with high-quality architecture and public realm, will combine with the surrounding proposed and existing development to create a vibrant mixed use community which will be distinct in both design and character. This will deliver a suitable and beneficial re-use for the site, it will breathe new life into an important gateway location, and it will make the City Centre an even more vibrant and attractive place to live, work and visit. The proposed development would therefore accord with Criteria 4 of Policy EC 2 as the development of the PDS offers greater benefits in terms of the Core Strategy's vision and spatial objectives than the existing use.

Economic Benefits

- 3.13 Though the Proposed Development will result in the loss of 4 full time jobs and 1 part time job from this location specifically the storage services being met within this building will be met elsewhere by the same company and therefore the jobs will be provided elsewhere.
- 3.14 Based on the information provided in Table 20.13 of the socio-economic chapter of the Environmental Statement which accompanies this application and given the potential for the proposed retail units to provide part-time and flexible work opportunities, it is assumed that in the worst case, the scheme will generate a total of 10 Full Time Equivalent jobs. This is a job increase of 6 full time jobs.
- 3.15 The socio-economic chapter of the Environmental Statement which accompanies this application also identified that the construction phase of the proposed development could create up to 106 direct construction jobs as well as 160 induced and indirect jobs. This would equal to a total of 266 additional jobs per year in the target area which is a significant economic benefit of the development in EIA terms.

Summary

- 3.16 It is therefore evident that though the existing use is lost the proposed development will result in a net increase in jobs. The Proposed Development align closely with the Development Plan's pro-economic growth and regeneration policies, which support the regeneration of the PSE SRF area. The loss of the employment use therefore complies with criteria 2,3 and 4 of Policy EC 2 and should subsequently be supported by MCC.

4. Conclusion

- 4.1 This Economic Statement has taken into consideration Local and National Policy. It concludes that the Proposed Development has taken into consideration
- 4.2 In summary the Economic Statement concludes the Proposed Development achieves the following:
- The Site is identified within two SRF's as suitable for mixed use residential development;
 - The PDS is sustainably located in relation to transport infrastructure, being in a very accessible part of the city centre and is therefore suited to the delivery of residential and employment development;
 - The Proposed Development embraces the surrounding public realm and the proposed employment use providing an active frontage and enhancing and enlivening the street scene;
 - The Proposed Development could create up to 106 direct construction jobs as well as 160 induced and indirect jobs ; and
 - The Proposed Development will create at worst, a total of 10 Full Time Equivalent jobs.
- 4.3 Overall, the Proposed Development would deliver a high quality addition to the City and achieves full compliance with respect to the MCC's policies for the loss of an existing employment use.

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