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12-16 Piccadilly, Manchester
Economic & Regeneration Benefits Statement

September 2013

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1 Introduction

1.1 This Statement accompanies an application for Planning Permission, submitted on behalf of the applicant Russells Ltd, for the development of a new hotel on vacant land at 14-16 Piccadilly and the refurbishment of the former Union Bank building at 12 Piccadilly (a Grade II Listed Building).

1.2 The hotel will provide 258 beds and will be operated by Yotel. This will be Yotel's first UK hotel (outside of the airport model) and will offer a truly distinctive product in the market (further details are contained in Section 2).

1.3 The proposed refurbishment of the Listed Building will provide functions ancillary to the hotel (offices, meeting rooms and a gym) over four levels with a bar at the ground floor.

1.4 The primary purpose of this document is to consider the extent to which the proposals align with planning policy – with a focus on their economic and regenerative benefits as well as social and environmental considerations. It concludes by considering the case for the grant of Planning Permission taking into account the proposals for the re-use and adaptation of the Grade II Listed former Union Bank building, which has been vacant since 2006 when it was last occupied by Barclays Bank.

1.5 Key planning policies relevant to the consideration of this proposal are identified in section 4 of this document. In summary, the main aim of the Government's approach to Planning, as identified in the National Planning Policy Framework (NPPF), is to deliver sustainable development. Indeed, the NPPF introduces a new 'presumption' in favour of sustainable development. The document advises that sustainable development is about positive growth – making economic, environmental and social progress for this and future generations.

1.6 The NPPF makes it clear that in order to achieve sustainable development, it is necessary for the economic, social and environmental gains of a proposal to be sought jointly and simultaneously through the planning system. This means that sustainable development is identified as being about supporting sustainable economic growth on the one hand, and the NPPF advises that significant weight should be placed on the need to support economic growth through the planning system; however, this does not mean economic growth at all costs. At the same time other considerations are important, such as seeking positive improvements in the quality of the built, natural and historic environment.

1.7 In summary, the NPPF is about understanding the balance of economic, social and environmental issues relevant to a project. Taking into account the main planning considerations that relevant to this particular project, this document will focus on demonstrating the extent to which the proposed development will deliver significant economic and regenerative benefits. It should be read in conjunction with the Heritage Assessment prepared by Stephen Levrant Heritage Architecture, the Design and Access Statement prepared by Roger Stephenson Studios and the Tall Building Statement prepared by Deloitte Real Estate, each of which also accompany the submitted applications for Planning Permission and Listed Building Consent. These documents focus on the built, natural and historic environmental effects of the proposals, and therefore, in conjunction with this document provide a fully balanced assessment of the relevant issues.

1.8 The Heritage Statement prepared by Stephen Levrant Heritage Architecture provides a comprehensive assessment of the Listed Building's significance and characterisation appraisal of the area before assessing

the heritage impact of the proposals. The document also considers the effect of the proposed new build element on the setting of Listed Buildings and the character of relevant City Centre Conservation Areas based on a Visual Impact Assessment of the proposals.

1.9 In summary, and to provide some further context to the preparation of this document and the overall case for granting Planning Permission taking into account the economic and regeneration benefits of the proposals, the Heritage Statement concludes that:

- The special architectural and historic interest of 12 Piccadilly has been recognised by its Grade II Listed status.
- The interior of the building is of low-to-negligible significance. However, the extent of alteration does not adversely impact the special architectural interest of the building within the context of the wider townscape.
- The setting of the Listed Building is currently adversely affected by the gap site to the south.
- The potential physical impact of the proposals on the Grade II Listed former bank building will result in four instances of minor beneficial impacts, two instances of minor adverse impacts and two instances of moderate adverse impacts.
- It is considered that the value/importance of the individual heritage assets identified within the views and the value/importance of the view as a whole would be subject to a minor beneficial magnitude of change.
- Manchester City Council does not have any tall building policies or protected views and tall buildings have previously been encouraged in this part of the city.
- The zone of visual influence and key views were discussed and agreed with English Heritage at pre-application stage in order to assess the potential visual impact of the proposed scheme.
- The zone of visual influence diagrams have demonstrated that the new build element of the scheme will not be visible from the majority of the adjacent Conservation Areas (Stevenson Square, Shudehill).
- The proposals cannot be considered as resulting in anything more than instances of ‘less than substantial harm’ due to the fact that the special architectural interest of the Grade II Listed former bank building and the setting of nearby Listed Buildings and character of the adjacent Conservation Areas will not be fundamentally compromised.
- The substantial public benefits of the proposed scheme will outweigh any instances of less than substantial harm.
- The proposals comply with national and local planning policy.

Site Location and Surroundings

1.10 The site encompasses the vacant Grade II Listed former Union Bank building and adjacent vacant land; the Waldorf Public House and Indemnity House (no.7 Chatham St) immediately adjoin the site but do not form part of the proposals. The site itself is bound by Piccadilly, Gore Street and Chatham Street (See Figure 1 below).

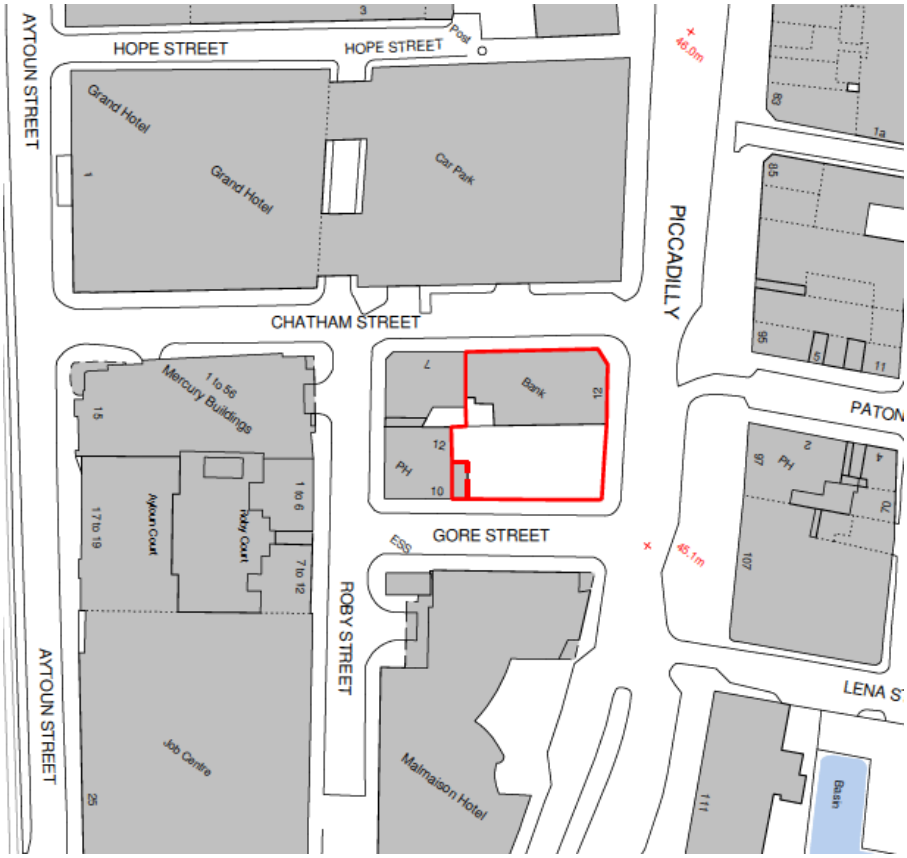


Figure 1: Site Location Plan

1.11 The Listed four storey building was built in 1911 has been empty since Barclays Bank vacated the site in 2006. The condition of the building is deteriorating and urgently needs intervention to ensure the building can be restored and brought back into active use. The proposed scheme will achieve this.

1.12 The land adjacent to the Listed Building is currently a 'gap site' offering no contribution to the urban block and has an adverse impact on the streetscape given the lack of enclosure. In addition, the setting of the Listed Building is adversely affected by the presence of a gap site immediately adjacent to it.

1.13 The site is located within the Piccadilly area of Manchester City Centre and covers an area of 0.07 ha. The site is close proximity to Piccadilly Railway Station and has a frontage onto Piccadilly which is an important city centre street and key pedestrian desire line for those accessing or exiting the railway station and wishing to connect to Manchester primary retailing and central commercial areas in particular. Market Street, which is at the heart of Manchester's Primary Retail Area, merges with Piccadilly at its western end. Just to the south of Market Street is Manchester's established commercial core.

1.14 Given its status as the Regional Transport Hub, Piccadilly is one of the most important points of entry into the city – a gateway route. The experience of pedestrians entering the City from Station Approach and Piccadilly is critical in terms of shaping first impressions of the City and the wider City-Region. In its current condition, it is without question that the application site currently detracts from this experience. It can be characterised as a gap site which detracts from townscape and the quality of the environment more general, and a long term vacant building. The gap site means that there is no street wall or sense of enclosure to the street. The lack of use means there is no activity provided by the site or contribution to the street scene. This is further exacerbated by the fact that the Listed Building, whilst clearly possessing significant architectural and historic merit as a whole, lies vacant. This means it does not provide the positive contribution it should as a focal point in the street scene, nor does it generate the activity levels that would truly allow its value to the City to be appreciated and enjoyed. At a very basic level, it is essential that the

Listed Building brought back into active use in order to secure its long term future and prevent this factor being exacerbated should the building's condition deteriorate.

1.15 Whilst the Piccadilly area of the city as a whole has secured significant levels of investment in recent years with developments at Piccadilly Place and Piccadilly Basin for example; it is essential that this capitalised on and added to in order to act as a catalyst for the next wave of investment. The route from the Station along Piccadilly and into the primary retail area has generally seen an absence of development activity or investment within recent years and there is scope for improvement in the quality of uses and the environment. At the moment it very much feels like a secondary city centre location, despite the fact this area has so much going for it as a commercial location, including accessibility and excellent footfall. The application proposals represent an important opportunity to secure this urgently needed new investment and kick start the next wave of regeneration.

1.16 In terms of the role of Piccadilly Station as a key gateway into the City, it is a world-class transport interchange which provides high quality waiting, shopping and business facilities for rail passengers. Piccadilly Station is the main rail hub for the North West, with frequent and rapid services throughout the day and evening (with a service approximately every 20 minutes until 2015) between Manchester and London with average journey times of only 2 hours 10 minutes.

1.17 Its role is set to increase with committed and future significant investments in rail infrastructure planned:

- The Northern Hub is a Network Rail project that will deliver £530m of targeted investment to transform Northern England's rail network, stimulating economic growth. The proposals are projected to deliver over £4bn worth of wider economic benefits to the region and potentially create up to 30,000 new jobs.

- One of the key Northern Hub projects proposed is the Ordsall Chord, a new viaduct which will connect Manchester's Victoria, Oxford Road and Piccadilly Stations, and Salford Central Station for the first time. This investment is intended to help ease a rail bottleneck to the south of Piccadilly and enable faster, more frequent services to run across the North of England, by allowing services to run via Victoria. It will reduce journey times between Manchester Airport and Newcastle, Middlesbrough, Hull and Scarborough, as well as to Leeds and Liverpool. Funding for the Ordsall Chord was confirmed in March 2011 and it is due to be operational by Winter 2016 / 2017.

- The Government has stated that its initial preference for a city centre station in Manchester is to construct a new HS2 station alongside the existing mainline station at Manchester Piccadilly. HS2 itself will allow enhanced connections to London and Europe and bring increased capacity of this train corridor to meet future demand. HS2 will be connected to the Continent through a link to HS1 (High Speed 1) and the Channel Tunnel. This makes direct rail services possible from stations served by high speed trains to key European destinations including Paris, Brussels and Amsterdam. HS2 will build on the success of HS1, which has already transformed travel between the UK and the Continent.

- Journey times will be significantly reduced: Manchester would be 41 minutes from Birmingham and only 1 hour 8 minutes from London, almost halving the current average rail journey times. The proposed Manchester Airport HS2 station would be 32 minutes from Birmingham and 59 minutes from London.

- The HS2 platforms would be parallel to and immediately alongside the existing mainline station at Manchester Piccadilly, therefore significantly enhancing its role as a transport hub. Locating a station at Piccadilly would allow easy connections with regional rail services to places such as Salford, Stockport and Bolton. The HS2 project will allow the creation of a bigger station at Piccadilly with better facilities and links with existing services, including existing Metrolink and bus services that form part of Manchester's extensive public transport network.

1.18 The site's proximity to Piccadilly Railway Station underlines the need for positive investment. Equally, the site's location is fundamental to Yotel's decision to locate their first non-airport UK hotel in Manchester. With reference to the full description of Yotel's characteristics and philosophy provided in section 2, it is clear that this is a site that is extremely well suited Yotel's locational requirements as well as their distinctive market offering.

1.19 The site forms part of a wider urban block bounded by Piccadilly, Portland Street, Aytoun Street and Auburn Street. Apart from the main street frontages of this block, its internal streets lack activity and have the feel of back streets and servicing areas. Along with the Former Employment Exchange building, which is adjacent to Aytoun Street, Roby Street and the Canal, the application site represents the major opportunity to regenerate and transform this urban block. It can significantly improve the quality of the built environment as well as the levels of activity in the area, and, therefore act as a stimulus to further investment in this area and beyond - including supporting the emerging proposals for the Former Employment Exchange and the consented mixed-use hotel, office and retail focused scheme to redevelop Gateway House and transform the public realm on the Station Approach.

1.20 The Stevenson Square Conservation Area boundary runs immediately to the north of the site, with its boundary incorporating the buildings on the opposite side of Piccadilly. As demonstrated in the Visual Impact Assessment (Zone of Visual Influence diagram) that has also been prepared in support of the application, the scale of the buildings on the opposite side of Piccadilly together with the dense urban grid and alignment of streets means that the level of visibility of the proposed development is relatively limited from the majority of that area. Equally, this means that the level of impact on the Conservation Area is minor.

1.21 In addition to the Grade II Listed former Union Bank building on the subject site, there are a number of Listed Buildings in close proximity, including:

- The Malmaison Hotel, Piccadilly (Grade II)
- The Grand (apartments), Aytoun Street (Grade II)
- 107 Piccadilly (Grade II)

1.22 Indemnity House, Chatham Street has also been described as a non-designated heritage asset and this building clearly forms part of the setting to the Listed Building, when viewed from Chatham Street.

1.23 As referenced above, the potential impact on the setting of the former Union Bank building and other Listed Buildings within the vicinity of the site has been considered in the accompanying report by Stephen Levrant Heritage Architecture.

1.24 The development of a high quality, innovative hotel, which has clear points of difference to Manchester's existing offer would provide a complementary addition to the wider mix of uses in the area. As a quasi-residential use, a hotel would be compatible with the adjoining residential uses which form a significant component of the urban block described above. In addition, the additional visitors and footfall the hotel would bring would support local retail, restaurants and leisure uses.

1.25 The innovative product and its status as a 'first for Manchester' complements the City's growth strategy – it will complement and assist in representing the City's focus on innovation, knowledge and quality and offers the type of quality of product that is symbolic of a leading, progressive European City. Together with the townscape and environmental improvements that will be provided, the project will enhance Manchester's competitive offer as a principal destination for inward investment and will assist in creating opportunities to attract the organisations and companies that would be capable of making a significant economic and regenerative contribution to the City.

1.26 The status of the development and the level of investment injected into the local economy in a key strategic location will undoubtedly complement a range of wider City Council regeneration initiatives as explored further within Section 4 of this report.

1.27 As well as the immediate rail connections at Piccadilly which are described above, the site is within a short walking distance of Metrolink stops at Piccadilly which are at the heart of the wider and expanding Metrolink network. In addition, the free "Metro shuttle" bus service, which connects Piccadilly Station to key destinations around the City, operates from the top of Station Approach. Further rail connections at Salford Central, Deansgate, Oxford Road and Victoria Stations are all within a 20 minutes walk or less from the site.

Planning History

1.28 The site secured Planning Permission (ref: 082829/FO/2007/C3) on 14 December 2007 for external alterations and refurbishment of the Listed Building and erection of a 9 storey office building (use class B1) on the adjacent vacant site, incorporating 2 ground floor restaurant/cafe units (Use Class A3). That Permission has since expired; however, whilst planning policies have changed, the fundamental underlying planning considerations and policy issues relevant to the consideration of the current set of proposals have not. In other words, the fact that a scheme has been deemed acceptable and Permission has been granted in the recent past, should inform the manner in which the current scheme is considered. This point is further underlined by the fact that the site's immediate context in terms of land use or built environment has not materially changed.

1.29 Of particular note is the fact that this Permission allowed the wholesale removal of the interior of the Listed Building, necessary to bring the building back into use, together with the careful removal of the rear toilet block and stairwell, as also required by the current proposals. In addition, the scheme permitted a significant building, at 9 storeys immediately adjacent to the Listed Building on the gap site.

1.30 Fundamentally, the office scheme has not been delivered for a variety of reasons. The site's dimensions and configuration means that it is unable to provide the flexible floor plates that occupiers, investors and funders requires. In addition, there are competing sites and locations within the immediate vicinity of the site (in a market that has been increasingly competitive in recent years for a range of macro-economic factors) at Piccadilly Place and within more established and emerging destinations within the Commercial Core, at St Peter's Square, Spinningfields, First Street, NOMA for example. These locations are much better placed to provide the offer that the market demands as well as the offer which is required to allow Manchester to compete at the national and international level.

1.31 In contrast, the site's prominent location, accessibility and relationship to huge critical mass of attractions and destination in Manchester City Centre mean that it is ideally suited to a hotel end use. In order for that end use to work, from an end user economic viability point of view, a different configuration and form of development is required. This is explained further in the next section of this report.

Document Structure

1.32 The remainder of this Statement is structured as follows:

- Section 2 - assesses the benefits and added value to the city centre and its hotel market associated with the secured hotel operator, Yotel.
- Section 3 - considers the alternative development options that have been considered and factors that are essential to the deliverability of the proposed scheme.
- Section 4 - assesses the extent to which the proposals will complement and add value to the City's main economic and regeneration policy drivers.
- Section 5 – concludes by summarising the environmental, social and economic benefits of the proposals.

2 Hotel Market Context

Secured End User – Yotel

The Concept

2.1 Yotel was created by YO! founder Simon Woodroffe OBE and Yotel CEO Gerard Greene. The idea, which was conceived following a trip on a first class British Airways flight, was to create a hotel with small, smartly designed rooms – based on the language and the luxury of airline travel and a touch of Japanese influence i.e. a small but luxurious cabin.

2.2 In 2002, funding was secured for a prototype cabin from partners IFA Hotels & Resorts. Initially, Yotel focused on airport hotels located inside the terminal buildings, with easy access to departures and arrivals. The airport accommodation was aimed at passengers wishing to stay the night before an early flight, during a long transit or looking for a quick refresh on arrival. Check in/out times are flexible between 4 to 24hrs and the hotels provide free Wifi and hot drinks 24/7. The cabins provide space saving moving beds, en-suite bathrooms, flat screen TVs and work desks.

2.3 Yotel create a 'first class experience at an affordable price'. Yotel cabins are smaller than traditional hotel rooms but focus on high quality design which delivers flexible smart space to suit individual needs in which to relax, refresh, connect and sleep.

2.4 The core principles of the Yotel brand are as follows:

- **Innovation** – it's about looking at what people want, looking at what's out there and turning it upside down to fulfill a need. It's about connecting with people.
- **Location**: Hotels are located in areas where real estate is prime. It is an urban brand for people who appreciate good design that fit their transient needs.
- **Value**: Today's consumer is looking for value, for efficiency and responsibility – and we give that to them.
- **Quality**: The core is to provide luxury services and experiences and make them accessible to everyone in more affordable ways.

Current Coverage

2.5 The company currently has four hotels:

- Gatwick Airport South Terminal (opened July 2007)
- Heathrow Terminal 4 (opened December 2007)
- Schiphol Airport (Opened September 2008)
- New York Times Square (opened 2011)

2.6 The airport hotels are situated inside terminal buildings to enable customers to be close to departure and arrivals gates. Cabins are bookable by the hour with check in and check out times totally flexible.

2.7 In June 2011 Yotel opened their first city centre hotel just two blocks west of Times Square in New York. Cabins are 30% bigger than the airport product and still focus on providing innovative 'affordable luxury'.

2.8 The Yotel group is looking to expand into key cities and airports in the USA and Europe (including London and Manchester) as well as airports at Paris Charles de Gaulle, Madrid and Frankfurt. This will be Yotel's first UK hotel (outside of the airport model) and will offer a truly distinctive product in the market.

2.9 The group has also announced that it will open a 600 cabin hotel in the epicentre of Singapore which is expected to open in 2018. The intension is for the hotel to act a spring board into the Asian market following the opening of its 669 cabin hotel in Times Square, New York.

2.10 Yotel's three airport locations have 150% to 250% revenue-per-available-room penetration within their competitive sets (February 2012). With 30 to 50 rooms on average, the properties boast occupancy rates of 150% to 220% (rooms can be turned over several times in one day) and average daily rate indexes of 100%.

2.11 In particular, London Heathrow achieves an annual occupancy in excess of 200%.

2.12 In its first full year, the Yotel in New York achieved room occupancy of 85% at an Average Daily Room Rate (ADR) of $200. Gross Operating Profit (GOP) conversion was 48% of total revenue. In February 2012, the hotel has seen occupancies of 80% and gross operating profit of 47%.

Design Characteristics

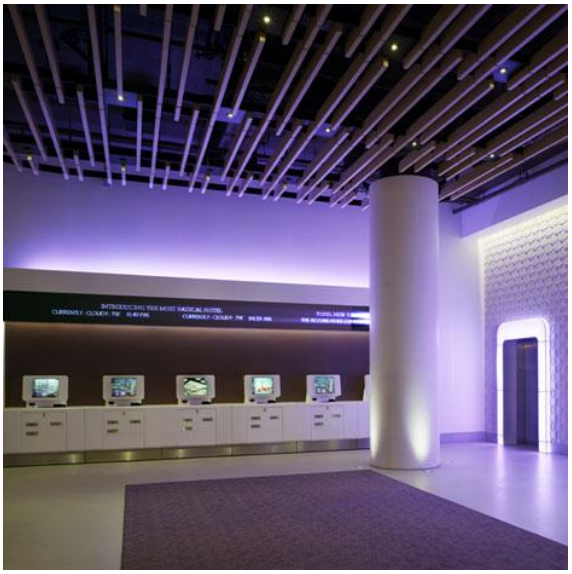
2.13 Yotel cabins are smaller than traditional hotel rooms but focus on high quality design which delivers flexible, innovative space at an affordable cost.

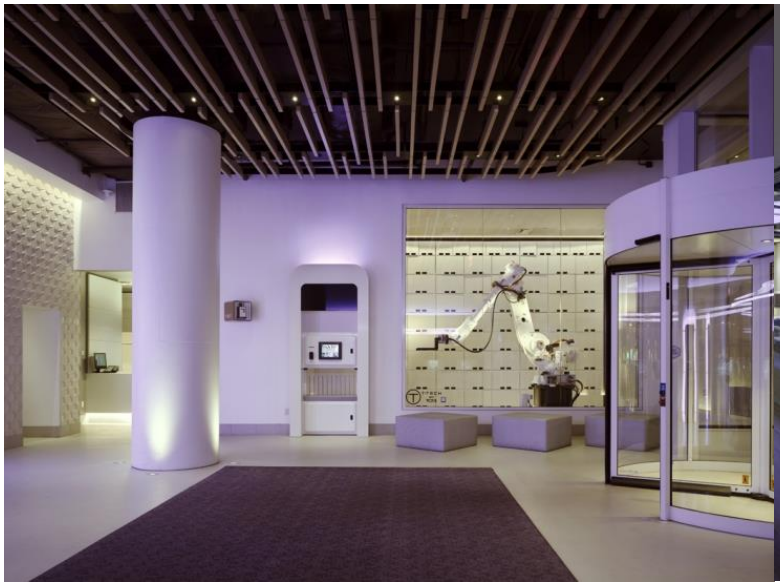
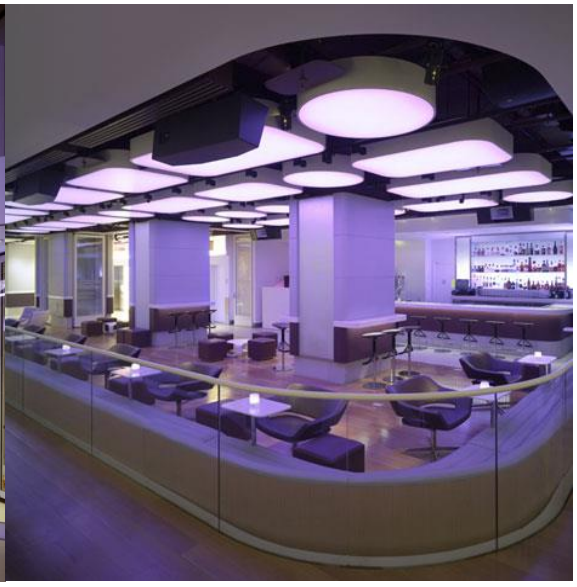
2.14 The proposed Yotel in Manchester would follow a similar model to the hotel in New York which is Yotel's first property outside of its current international airport locations. This hotel boasts a broader array of rooms than the airport model but still seeks to maximise the use of space in sleek pod-style rooms - beds double as couches, nightstands double as desks and shower walls double as room dividers. All rooms also feature the trademark purple mood lighting.

2.15 In addition, check-in desks are largely eliminated, replaced with a bank of automatic check-in kiosks. Left luggage is also automated and is managed using a giant white robot arm (Yobot).

2.16 The basic "premium" cabins are approx. 170 square feet (which is larger than the 100 square-foot airport cabins) and will offer free Wi-Fi, monsoon showers, flat screen TV's and workstations with multi power points.

2.17 Photographs from the operational hotel in New York are provided overleaf:



Target Clientele

2.18 Yotel does not differentiate between attracting corporate or leisure hotel guests as they believe there is a distinct blurring of the corporate and leisure guest market.

2.19 Their experience is that both markets book direct and with no middleman they can focus on delivering the best value possible for both corporate and leisure guests.

Commendations and Feedback

2.20 Since the opening of the first hotel in 2007, the company has been recognised for its creativity in design and commitment to providing green buildings. A selection of the awards secured are detailed below:

2012

- Awarded LEED® "Gold" certification by the U.S. Green Building Council and verified by the Green Building Certification Institute (GBCI). LEED is the nation's preeminent program for the design, construction and operation of high performance green buildings.
- Hospitality Design Awards (honours the achievements of superior design and architecture).
  - Winner - Best Mid-Range/Economy Guestroom, Yotel New York
  - Winner - Mid-Range Economy Hotel, Yotel New York

2011

- Gold Key Awards (honours excellence in hospitality design). Finalist for ICON IN DESIGN in four categories: urban hotel, suite, room and lobby / reception area.
- Worldwide Hospitality Awards (celebrates industry innovation for hotel establishments and hospitality schools). Winner - Innovative Concept for Yotel New York
- Travel Weekly Magellan Awards (honours the best in travel and design).
  - Best Restaurant Design, DOHYO Restaurant and Bar, Yotel New York
  - Best Room Design, Yotel New York.

Manchester Hotel Market

Destination Manchester – Drivers of Demand

2.21 Manchester has undergone considerable regeneration over the last ten years and is now the largest regional economic centre outside of London. The city has been "transformed into a major business and leisure destination", attracting over 105.5 million visitors to Greater Manchester in 2012 with overnight visitors accounting for 10.3 million of those visits (Marketing Manchester).

2.22 The tourism sector is a significant contributor to Manchester's economy, adding £6.6 billion to the economy of Greater Manchester and £3.4 billion to the economy of Manchester (Marketing Manchester).

2.23 The sector also supported 83,934 FTE jobs in Greater Manchester and 42,503 in Manchester in 2012 (Marketing Manchester).

2.24 In recent years, Manchester's profile in terms of catering for business travellers and tourists has improved significantly and this is expected to continue to meet the growing demand for Manchester as a destination. In 2012, Manchester was the third most popular destination in the UK (behind London and Edinburgh) for international visitors with 932,000 visits. Manchester also experienced the second highest increase in international holiday visits between 2011 and 2012 out of the 10 most visited destinations for holiday visits (International Passenger Survey 2012).

2.25 Manchester is a leading destination for retail, sports, and conference and exhibitions due to the draw of Manchester Central and the M.E.N Arena. Manchester also features a number of other key tourist attractions, including The Lowry Museum, Chill Factor[e], The Trafford Centre (including Event City), the Museum of Science and Industry and the Manchester United and Manchester City Football Clubs. In addition, the BBC has relocated a range of services from London to MediaCityUK, a £3 billion scheme covering 200 acres, located in Salford Quays.

2.26 The development of cultural attractions such as the Manchester International Festival and a rejuvenated Palace Theatre has built on established international attractions such as the Imperial War Museum, Manchester Art Gallery, Manchester Museum and the Opera House. The hosting of the 2002 Commonwealth Games ignited the development of Sportcity and has added to Manchester's international reputation for sporting excellence along with Manchester United and Manchester City Football Clubs which, as noted above, are major tourist attractions in their own rights, and who both regularly compete in European competitions – a significant source of visitors from travelling fans.

2.27 The recent strides to improve the City Centre's retail offer have also played a major role in attracting visitors, as has the City's role as a major conferencing destination, hosting both the Labour and Conservative Party Conferences and British Council for Shopping Centres Conference in recent years. Manchester has also strengthened its reputation as an international conference destination with the city ranking above its 2011 position in the influential International Congress and Convention Association's (ICCA) annual report. Manchester's 2012 submissions have pushed the city up one place into 78th position in the global city rankings and into 42nd place in the European rankings. The city also retained its 4th place position within the UK.

2.28 The Conference Value and Volume Study (2012) reported that conference and business events contributed £822 million to the Greater Manchester economy market in 2011 and generated 5.2 million delegates (with the City Centre hosting 2.3 million). The study also identified that the sector supports 21,800 FTEs, with 11,800 of these in the City Centre.

2.29 The Study also notes that delegates from outside the north west contributed to 42% of the economic impact in Greater Manchester and overseas delegates contributed to 6% of it. The spend from the international association sector outside conference venues and within the wider destination and business, nearly doubled from £11 million in 2009 to £21 million in 2011. This is likely to be attributable to the number of delegates from this sector increasing by 53%.

2.30 Manchester is supported by excellent transportation links, including Piccadilly and Victoria Stations, which are national and sub-regional rail hubs, respectively. Manchester Airport, which is the UK's fourth largest airport, provides superb international connections and further fuels the need for quality hotel provision in Manchester City Centre.

Occupancy Rates

2.31 The economic downturn had a negative effect on Manchester City Centre hotel occupancy rates with many hotel operators witnessing a fall in demand; however, the sector is recovering and the latest figures from STR Global indicates that occupancy levels in Manchester have risen from a six year low of 70% in 2009 increasing to 73.6% in 2012. At the national level (as of December 2012), Manchester's occupancy rates are currently outperforming the regional UK average (69.9%) as well the UK's key cities of Birmingham (67%), Leeds (71.6%) and Liverpool (69.4%) (STR Global).

2.32 The revenue per available room (RevPAR) for Manchester in 2012 was £47.76 which is above the regional average of £41.31 (STR Global).

2.33 The Visit Manchester Destination Snapshot for July 2013 reports an average occupancy rate of 77% for the City Centre. It also notes that the average occupancy rate for the first 7 months of 2013 stands at 75% compared to 72% at this point in 2012 for the City Centre. The weekday occupancy level for 2013 so far stands at 72%, increased from 69% in 2012. Weekend levels stands at 81% compared to 80% in 2012.

2.34 On Saturday 27 July occupancy levels were 98% in Greater Manchester. Corresponding events on that date were the Manchester Jazz Festival, Festwich Rock Festival and the RHS Flower Show.

2.35 The occupancy levels and RevPAR further exemplifies Manchester's strong commercial profile and the strength of the tourism industry and events calendar.

Manchester Hotel Offer

2.36 Research published by Marketing Manchester in August 2013 confirms that there are 121 hotel providers in Manchester providing 11,345 rooms as detailed below:

Room Type	Number of Providers	Number of Rooms	% of Supply
5*	2[1]	293	2.58
4*	20	4,060	35.7
3* (to include travel accommodation)	39	5,522	48.6
Budget hotel (1 and 2*)	18	543	4.7
B&B	8	120	1
Self-Catering Rooms	3	9	0.07
Serviced apartments	31	796	7
Total	121	11,345	

2.37 The research also indicates that there are 49 hotels in the City Centre providing 7,091 rooms as indicated in the table below:

Room Type	Castlefield	Central Retail District	Chinatown	Gay Village	Northern Quarter	Oxford Road	Petersfield	Piccadilly	Other Area	Total
No. of Hotels	5	1	2	6	6	3	5	12	9	49
No. of rooms	246	30	291	317	791	526	1276	2159	1455	7091

NB: This does not include hotels on the border of the City Centre such as The Lowry Hotel in Salford (5 star)

[1] This does not include The Lowry Hotel in Salford.

2.38 Although Yotel will be a mid-range product equivalent to a 3 star rating and there is already a reasonable spread of three star products within this range, there is a shortfall and demand for more affordable accommodation which delivers a design quality that would be more typically associated with a more expensive hotel product – Yotel will fill this gap in the market with a hotel concept that does not currently exist in the Manchester market.

Summary – Hotel Market Context

2.39 This section presents the Motel One brand and its philosophy, and analyses the current performance of the Manchester City Centre hotel market. In summary:

- Yotel (the operator) is a truly distinctive product and will add value to Manchester's existing hotel offer.
- The scheme will provide a high quality building which will accommodate an international occupier that is new to the City – staying ahead of other regional centres in the UK.
- There is shortfall and demand for more affordable hotel accommodation which delivers a design quality. Yotel will fill this gap in the market.
- The hotel will service forecast economic growth and increased anticipated visitor numbers within Manchester which will be particularly focussed on the City Centre - the main economic driver for the City Region as a whole.

3 Development Options and Deliverability

3.1 This section outlines the main alternative approaches to the development that have been considered and the rationale for the preferred option. Throughout the design process, a number of options have been assessed in order to arrive at a proposal that is sustainable and deliverable and will lead to the successful regeneration of the site, and the associated public benefits.

3.2 The final scheme has also been informed by contextual appraisals (including a heritage assessment) and pre-application consultation, as well as the business model and funding requirements of the proposed development and hotel operator.

Do Nothing

3.3 The existing site is underutilised and together with the vacant Grade II Listed bank building is in urgent need of revitalisation and improvement to enliven the public realm and improve the street scene on this key pedestrian route into the City Centre.

3.4 The land adjacent to the Listed Building is currently a 'gap site' offering no contribution to the urban block on this key route.

3.5 The need to redevelop the gap site is crucial to the success of the Piccadilly area, particularly given the site's proximity to the main regional transport hub (Piccadilly Station) and its role therefore as a 'front door' to the city centre as well as in forming first impressions of the city.

3.6 To 'do nothing' would not be an option, and would be a missed opportunity to deliver a high quality building that would remove a blighted 'gap site' in the street scene. In addition, the Listed Building has been vacant for seven years and is currently in a poor condition, this scheme provides the opportunity to bring the Listed Building back into active use and improve its setting by incorporating the building back into an active streetscape.

3.7 The regeneration of this site and the significant level of investment being put into the scheme would provide further impetus to the regeneration of strategic sites in close proximity, in particular the Former Employment Exchange, as well as encouraging further investment across the wider locale that would have a positive impact on the vitality and physical environment of this area.

3.8 Without the development, it will not be possible to accommodate the proposed end user or indeed any material uplift in the quality of uses on the site. Without this end user, the opportunity would be lost to secure approx. £17 million of direct investment and multiple spin off economic, social and community benefits.

3.9 The wider Piccadilly area is subject to significant levels of antisocial behaviour, much of which is alcohol related. There are also many rough sleepers in the area. The volume of crime in the local area has been very high which reflects the site's location close to the City Centre and Piccadilly Station. Improving the urban environment and appearance of the public realm in the locality through the construction of a new hotel

will assist with improving security in the area. A new 258 bed hotel will also generate footfall during the day and night providing natural surveillance, which will also help to deter crime.

Options Appraisal: Alternative designs for a new build scheme

3.10 This Section should be read in conjunction with the Design and Access Statement prepared by Stephenson:ISA Studio Ltd, which has analysed alternative designs for the scheme.

3.11 The design has evolved from an analysis of the historic context and urban morphology. It has also been influenced by consultation with key consultees. The concept is underpinned by the following principles:

- Deliver a high quality building on what is currently 'gap site' and bring a Grade II Listed Building back into active use.
- Contribute positively and sensitively to the existing urban grain
- Create a bold intervention that will act as a catalyst for future development
- Promote positive vistas across the City
- Sensitive response to adjoining listed building of the former Union Bank
- Complete the urban block by occupying the gap site
- Activate the ground floor streetscape
- Disabled friendly access
- Maximum transparency to provide active frontages
- Provision of vehicular pick up and drop off point
- Adequate services provision
- Efficient location of stair and lift core
- Sensitive intervention with existing building

3.12 The total footprint of the site is approximately 705 sq m, of which over half is occupied by the Listed Building. The majority of the proposed hotel accommodation is therefore required to be accommodated on a site area of 338 sq m. The operator also requires a certain quantum of units to ensure the scheme is deliverable and financially viable. Following a review of various design options, the most efficient way of arranging the required amount of accommodation working with the configuration of the site was to create a simple and elegant 20 storey tower.

3.13 The massing of the building has been sensitively handled. The new build element of the design maintains the urban grid of the city and aligns itself with the former Union Bank in an axial arrangement that is respectful of the classical architectural language of its historic neighbour. It has been further articulated by dividing the rectangular form into two parallel slabs that are separated by a glass slot. This architectural move helps to visually reduce the apparent mass of the building and helps the building to be read as two elegant forms. This is further reinforced by increasing the height of the northern of the two slabs by one storey above the height of the southern slab. The above strategy is intended to provide a sophisticated building form that will provide a positive contribution to the skyline.

3.14 The supporting Heritage Statement assesses the potential visual impact of the proposed development on the individual heritage assets identified. The Report states that the value/importance of the individual heritage assets identified within the views and the value/ importance of the views as a whole would be subject to a minor beneficial magnitude of change. The Report goes onto note that the zone of visual influence diagrams demonstrate that the new build element will not be visible from the majority of the adjacent Conservation Areas (Stevenson Square, Shudehill).

Adaption and Refurbishment Options for the Listed Building

3.15 This Section should be read in conjunction with the Heritage Report prepared by Stephen Levrant Heritage Architecture.

3.16 Following a review of the options for the Listed Building, it was apparent that the space at the ground floor would be best used as a lounge bar which would significantly add to the hotel offer. The upper floors would be refurbished to provide further hotel rooms.

3.17 The proposed internal works will not have a detrimental impact on the historic fabric of the Grade II Listed Building. This is reiterated within the Heritage Report which confirms that the special interest of the Grade II Listed Building is in its external architectural expression as the interior of the building has been substantially altered and is of limited value. However, to enhance the interior of the bar, the proposals will expose the currently concealed ornate ceiling that previously graced the former banking hall. Although the ceiling is badly damaged, the intension is to restore the beams and associated mouldings to their former glory.

3.18 The scheme also proposes to undertake restorative works to the façade of the Listed Building. These works include:

- Mild detergent wash to the façade.
- Paint and repair all original windows to the Chatham Street and Piccadilly elevations.
- Replace non-original windows to the ground floor.
- Replace non-original door at the Chatham Street and Piccadilly corner.
- Retain original door to Piccadilly but prevent it from being a point of access.
- Remove all non-original alarms, door mechanisms and timber patros.
- Re-open the original entrance doorway to the Chatham Street elevation.
- Demolish the south façade and former toilet block to form an internal lightwell.
- Demolish lift motor room.

3.19 In addition, due to the deep plan of the existing building and the relatively small size of hotel bedrooms, it is necessary to introduce a lightwell at the centre of the building to administer light to the internal rooms. This lightwell is to be created by demolishing the rear of the existing listed building, which was previously occupied by the toilets and a small lightwell.

3.20 Overall, the Heritage Report confirms that the extent of alteration does not adversely impact the special architectural interest of the building within the context of the wider townscape.

Deliverability

3.21 The site is wholly owned by Property Alliance Group and a hotel operator is on board. The scheme has been designed in order to meet the needs of the end user, Yotel.

3.22 Funding is in place and can be finalised once the scheme has secured Planning Permission.

Summary – Development Options and Deliverability

- This chapter has demonstrated that the proposed development represents the optimum deliverable development solution for the site, based on a comprehensive options appraisal and following an iterative process of evolving and refining the design proposals. This process has informed by a range of economic and built environment factors. On the basis of the optimum scheme presented in this application, it can be confirmed that a hotel operator has been secured and a funding strategy is in place to deliver the development.

4 Economic and Regeneration Policy Drivers

Key Economic Drivers

National Planning Policy Framework (NPPF)

4.1 The main thrust behind the Government's approach to Planning, as identified in the NPPF, is to deliver sustainable development. Indeed, the document introduces a new 'presumption' in favour of sustainable development and supports proposals that are in accordance with policies in an up to date Development Plan. Sustainable development is about positive growth – making economic, environmental and social progress for this and future generations.

4.2 To achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system.

4.3 Pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life, including (but not limited to):

- making it easier for jobs to be created in cities, towns and villages;
- moving from a net loss of bio-diversity to achieving net gains for nature;
- replacing poor design with better design;
- improving the conditions in which people live, work, travel and take leisure; and
- widening the choice of high quality homes.

4.4 The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.

4.5 In summary, the NPPF is about understanding the balance of economic, social and environmental issues relevant to a project. The proposed development will create a number of benefits in terms of employment outputs, training, use of local supply chains, spin-off economic growth, benefits to tourism and business, the introduction of a contextually responsive and high quality building and the sensitive refurbishment of a vacant Grade II Listed Building.

Manchester City Region

The Manchester Independent Economic Review

4.6 The MIER highlighted financial and professional services industries including banking, insurance, legal services, real estate, management consultancy and architectural and engineering services as accounting for around one sixth of Manchester's employees. The MIER notes that this reflects the City Region's role as one of the largest centres for such services outside London, and that particularly high growth concentrations are

found within Manchester City Centre. The document recognises Manchester has significant untapped opportunities to build on the successes to date to increase productivity and growth. Attracting new business, investment and enhancing the City Centre as a place to visit are important aspects to achieving growth – the scheme will assist in that regard.

4.7 The MIER makes the following key observations.

- Increasing productivity in Manchester will translate into increased living standards for people who live in the Region, and will also boost UK growth.
- One way of increasing GDP and productivity is to make it more attractive for businesses to invest and people to move into Manchester.
- Outside London, Manchester is the City Region which, given its scale and potential for improving productivity, is best placed to take advantage of the benefits of agglomeration and increase its growth.
- Planning policies certainly need to be well integrated but also need to respond to market signals to avoid empty sites and wasted money in some areas while costs are driven up by shortages of appropriate homes and business premises elsewhere.
- Overall, there is evidence that growth in Manchester is the most realistic way to raise overall economic growth in the North.

Prosperity for All: The Greater Manchester Strategy (August 2009)

4.8 The Greater Manchester Strategy is the high-level response to the fundamental policy challenge set out in the MIER:

"There are two dimensions to the challenge of raising long term growth: One is the need to boost productivity so that the growth rate increases; the other is to ensure that all parts of the City Region and all its people enjoy improved opportunities as a result of a stronger economy"

4.9 Key principles contained within the Strategy include:

- To secure a place as one of Europe's premier City Regions, synonymous with creativity, culture, sport and the commercial exploitation of a world class knowledge base.
- To compete on the international stage for talent, investment, trade and ideas.
- To be seen and experienced as a City Region where all people are valued and have the opportunity to contribute and succeed in life.
- To be known for our good quality of life, our low carbon economy and our commitment to sustainable development.
- To continue to grow into a fairer healthier, safer and more inclusive place to live, known for excellent, efficient, value for money services and transport choices.

4.10 The Yotel brand in the city centre will help enhance Manchester's standing and presence as a top-tier European city synonymous with innovation, creativity and with excellent facilities for visitors. It will make a significant contribution towards the realisation of objectives for the City Region.

4.11 Two of the strategic objectives of the document are to increase the level of international business, imports and the rate of international business travel of the City Region's firms and increase the level of foreign direct investment (FDI), from all possible destinations, into the City Region.

4.12 The proposed development chose to bring Yotel, a brand successful in New York and Gatwick, Heathrow and Schiphol Airports to Manchester ahead of London and other competing Regional Centres. The hotel will be Yotel's first non-airport hotel (the airport hotel being a different model) in the UK providing direct investment into the City Region.

4.13 A further strategic objective is to continue the development and improvement of the Regional Centre. The strategy states that, whilst there has already been a genuine renaissance across the Regional Centre, a specific programme of development, investment and improvement should be implemented in order to remain competitive.

4.14 The direct investment which is in the region of £17 million will only serve to strengthen the local economy and provide confidence to other developers in the market both nationally and internationally. The strategy is also conscious of the importance of "perception", stating:

"Perception is everything. The experience of the Manchester City Region and how that experience cascades through to what people say about us, at home and abroad builds that perception".

4.15 The site is located on Piccadilly, a key pedestrian connection between Piccadilly Station and the City Centre. More could be done to improve this route to reflect an image of Manchester that is likely to enhance visitors' perception. The proposed development provides an opportunity to improve such perceptions by providing a well-designed, high quality building which will address a gap site and vacant building to create activity and a positive presence along this important connective route.

4.16 Draft Greater Manchester Strategy (GMS) 2013-2020

4.17 Since the publication of the Greater Manchester Strategy in 2009, macro-economic changes, and factors arising out of the recession including an increasingly competitive global marketplace have led to an urgent review of the Strategy.

4.18 One of the key strategic aims in the draft GMS is to "*strengthen the global distinctiveness and world ranking of Manchester as a place to invest, live and visit*". The Strategy goes on to note that "*a distinctive sense of place is a critical factor in the ability of a destination to attract talent, investment and visitors. The visitor economy alone is worth over £5.8bn a year to Manchester, and in the last year more than 3,000 jobs were created as a result of inward investment*."

4.19 Yotel, a brand successful in New York and Gatwick, Heathrow and Schiphol Airports chose to locate in Manchester ahead of any other City in the UK. Yotel will offer both business and leisure travellers a truly distinctive product at an affordable price point, which will add to Manchester's global distinctiveness and attractiveness to the best talent, investors and businesses.

City Centre Policy Drivers

4.20 The Core Strategy (July 2012) acknowledges that the City Centre is, and will remain, the largest driver of employment growth in the North West and the most significant focus for cultural activity and creativity in the North of England, this is reiterated in Policy SP1 (Spatial Principles).

4.21 Using the Employment Densities Guide (2010) the hotel will provide approximately 129 FTE jobs once operational. The recruitment philosophy of Yotel will be to use local labour where possible and the scheme will therefore provide local employment opportunities that are easily accessible.

4.22 In addition, the supply chain services required by the hotel such as food, drink etc. will create supply chain opportunities that will be directed to the local level where possible.

4.23 The contractor for the scheme, Russells Construction is a Manchester firm employing and training local people and using sourcing sub-contractors via local relationships where possible. During the construction period approx. 165 jobs will be created by the proposed development.

4.24 The Central Business District is recognised in the document as the focus for the largest regional concentration of financial and professional services in the UK and, along with areas such as Spinningfields

and Central Spine, is crucial to providing a diverse commercial product. Developments such as Spinningfields, Victoria, Piccadilly, Eastern Gateway and the Central Spine exemplify how the capacity for business growth is being facilitated.

4.25 The Core Strategy acknowledges that Manchester has a growing tourism industry and has developed an international reputation as a conference location. It is emphasised that this is an important area to build on in the future.

4.26 In this regard, the Core Strategy states that the availability of hotel rooms is important to support conference events, as well as other visitor-oriented activities. The Council consider it vital that the quality of hotel provision enhances the reputation of the City to visitors.

4.27 This view is reiterated in Policy CC4 (Visitors – Tourism, Culture and Leisure) which notes that "*hotels have become an increasingly important use across the city, and these will be particularly important in the City Centre. New hotel development which contributes to the quality of the City Centre hotel offer will be supported*."

4.28 The proposed scheme has an excellent fit with these policy objectives and supports the City Council's Core Strategy. Yotel will provide a truly distinctive offer in the Manchester hotel market, and will add further value to Manchester's standing and presence as a top-tier European City. It will service the considerable demand from business and leisure visitors for high quality accommodation with a strong design ethos that does not require customers to pay a significant premium, and add considerable value to the overall Manchester hotel offer.

Key Regeneration Initiatives

4.29 The site is located in a pivotal location at a main point of entry into the City Centre from Piccadilly Railway Station. The Piccadilly area itself has been the subject of a considerable amount of investment over the last 15 years. This investment needs to continue if the City is going to achieve its economic growth targets, and capitalise on its under-exploited economic growth potential as reported in the MIER and as addressed going forward in the current draft GM Strategy. The Piccadilly area, together with adjoining regeneration priority areas to which Piccadilly connects – e.g. The Corridor and Mayfield (which then in turn connect to and offer major opportunities to better connect the City's Inner Communities to the City Centre), offer significant opportunities for Manchester to realise those growth objectives and this will be further underpinned should the HS2 scheme come forward as currently planned. The proposed development will clearly contribute to this, and it is essential in this regard that it is realised.

4.30 The remainder of this subsection describes the City Council's regeneration initiatives which are of particular relevant to the proposed development. The relationship of the proposed development to these areas emphasises the economic and regeneration rationale for bringing forward this development.

Piccadilly Gateway

4.31 The Strategic Plan for Manchester City Centre acknowledges the role of Piccadilly as a major gateway to the city and also a regional transport hub. The Plan notes that the area is critical not only to the city's functionality but also in forging perceptions about Manchester and the City-Region.

4.32 From Piccadilly Railway Station, London is just over 2 hours away and Manchester Airport is a short journey by train. Manchester Piccadilly currently handles 22 million passengers per year with this figure set to increase. The Station has plans to increase capacity at the station to accommodate the projected increase in passenger numbers. The increasing numbers of visitors will require a range of accommodation options to meet the growing demand for bed spaces in the City. The proposed hotel will be able to help accommodate the increase in visitors looking to stay in the City Centre.

4.33 The strategy for the on-going regeneration of this area focuses on further improving connectivity, building on the completed developments around Piccadilly Basin, Piccadilly Place and the future development of the former Fire Station on London Road. The Plan states that the key to this will be improving the current transport facilities and maximising the potential of the area's transport assets – particularly given that Piccadilly has strong links to the capital and to other regional centres. In terms of internal movements within the area, it is recognised that Piccadilly/ London Road will become an increasingly important corridor.

4.34 The document highlights that the wider area has experienced a significant level of investment in regeneration and infrastructure in recent years including the refurbishment of the Station, major office led schemes including Piccadilly Place, the refurbishment of Piccadilly Gardens, development in and around Piccadilly Basin and the Piccadilly Gate office scheme. In addition, the Motel One scheme is due to commence in 2014. The area has also received significant investment in public realm, transforming the entry sequence and improving connections between Piccadilly and core city centre destinations.

4.35 Notwithstanding the significant developments that have come forward, the area needs more investment to capitalise on and continue that momentum. The area continues to contain a number of vacant buildings and areas of blight which imprint a negative impression of the City for visitors arriving at Piccadilly Station – the 'gap site' which forms part of this application is one such site. This is reflected in the Strategic Plan which identifies that more needs to be done to change the perception of Piccadilly, and the security and appearance of the public realm. The proposed hotel scheme will create the right first impression for visitors arriving to Manchester from Piccadilly Station and walking into the City Centre. It is a high quality design and will accommodate an internationally successful operator that is representative of a successful European City. Importantly it will inject life and vitality into this part of the City and that will have positive spin-off benefits for adjoining regeneration areas.

4.36 The scheme will complement the regeneration that has already taken place in the area and will create a number of temporary and permanent jobs both directly and in the supply chains as well as encouraging enhanced levels of spend in the local area. One operational, the proposed use will undoubtedly assist in building a stronger economy in the Piccadilly Gateway area of the City.

4.37 Piccadilly Gateway is recognised as an important business destination in its own right; the proposed hotel will provide high quality accommodation to meet current demand from business users / visitors as well as the projected future demand for bed spaces in the City.

4.38 The Piccadilly area is developing into a hospitality hub to serve the City Centre and the proposed hotel will complement existing hotels in the area such as the Malmaison, City Inn, Macdonald, Abode and future Motel One scheme. There are opportunities for growth in this sector in the Piccadilly area to support the excellent conferencing facilities in the City, business and the leisure and tourism offer. A hotel scheme is also planned for Gateway House and it is understood that a hotel scheme is planned for the Former Employment Exchange site.

4.39 Overall, the scheme will greatly enhance the street scene by providing a high quality building with high quality uses at the ground floor. This will improve visitor perceptions of the City by improving the frontages and quality of uses along Piccadilly - a key pedestrian corridor into the City Centre.

Executive Report - High Speed 2 (HS2) and HS2 Manchester Piccadilly Strategic Regeneration Framework (SRF) (September 2013)

4.40 The Report identifies that an efficient and well-functioning transport network is essential for the economic wellbeing of the city and Greater Manchester. A high-speed line between Manchester, the West Midlands and London will support business development in the region. The scheme has the potential to provide a catalyst which can attract further investment into Greater Manchester by creating a new gateway into the regional centre and boost investor confidence in the area. Specifically, the proposals for HS2 stations at

Manchester Piccadilly and Manchester Airport provide major opportunities for stimulating economic growth and regeneration in the surrounding areas.

4.41 Specific benefits will include:

- Providing additional capacity for both passengers and freight – demand on the West Coast Main Line will increase significantly over the coming years, with the existing capacity of the line insufficient to meet growth. The new line could also, with the addition of some new infrastructure connect with the existing network, facilitate faster regional and inter-regional services and improve local rail services into Manchester city centre.
- Better connectivity for residents of Greater Manchester to opportunities in London and the south-east of England, and potentially Europe.
- Increasing economic prosperity in Greater Manchester by increasing the productivity of Greater Manchester businesses, providing a well-connected location for businesses, and enhancing the functionality and international connectivity of Manchester Airport

4.42 To respond to the opportunities presented by HS2 and the Northern Hub, a Strategic Regeneration Framework has been developed for the area surrounding Piccadilly Station (the 'HS2 Manchester Piccadilly SRF'. The Report proposes significant changes in the vicinity of the station and also sets the preferred options for the design and functionality of the station itself.

4.43 The starting point for the SRF is the opportunity provided by HS2 and the Northern Hub to create a world class transport hub and arrival point into the city, and to transform the eastern side of the city centre by defining a unique sense of place and new districts and providing key linkages between East Manchester and the city centre.

4.44 The SRF proposes to create a number of new neighbourhoods. The subject site sits with 'Piccadilly Place'. The draft SDF acknowledges that this area has already undergone extensive change with the creation of new hotels and commercial floor space. The key focus in this area is to secure the re-use and refurbishment of the London Road Fire Station.

Corridor Manchester

4.45 Corridor Manchester is a Partnership between the City Council, The University of Manchester, Manchester Metropolitan University, and the Central Manchester University Hospitals NHS Foundation Trust. The vision and objectives for the Corridor is set out within *Corridor Manchester – Strategic Vision to 2020*. The ultimate goal of the Partnership as set out in the Strategic Vision is to drive forward economic growth and investment in the area.

4.46 The vision includes objectives to:

- Improve connections with the communities to the east and west.
- Turn the main Oxford Road / Oxford Street boulevard into a green boulevard linked the city.
- Provide landscaped routes for pedestrians and cyclists.
- Be a place of quality employment, skills training and education at all levels.

4.47 The Corridor covers an area of 243 ha and incorporates part of the area between Upper Brook Street and London Road up to Piccadilly Station.

4.48 The Corridor is home to a wealth of knowledge-intensive organisations and businesses. These operate in the areas of health, education, creative industries, financial services and information communication technologies. It is recognised that The Corridor is one of the areas in the City Region with the greatest potential for accelerated economic growth. It has a current workforce of 55,000 and generates £2.8bn GVA

– 22.5% of the total GVA of the City: 43% of this activity is within knowledge based sectors, much higher than the national average of 22%.

4.49 Over the next 10 years it is anticipated that the Corridor will attract £2.5bn private investment and increase GVA to £4.7bn.

4.50 The document also specifically recognises the need to progress a number of major projects identified as key to delivering the vision for The Corridor, including the London Road Fire Station, the Aytoun Street Campus (soon to be vacated by Manchester Metropolitan University) and the Mayfield Depot to help achieve the vision.

4.51 By improving the perception of Piccadilly as a gateway into the city, and by enhancing the city centre's existing quality and choice of hotel offer the proposed development will support the objectives of the Corridor Strategy. Equally, extending the quality of city centre uses from the city centre core towards Piccadilly will begin to further strengthen those connections to the Piccadilly which can only enhance the prospects of future development areas including Mayfield to come forward.

4.52 The proposal will complement the significant level of investment that has already been invested in regeneration and infrastructure in this area through schemes such as Piccadilly Place and the development in and around Piccadilly Place. This combined investment will only serve to have a knock on effect for the City Centre economy and areas such as The Corridor.

4.53 The introduction of a new hotel will also help serve the growth in business and leisure visitors to The Corridor in close proximity to the regional transport hub.

Mayfield

4.54 Mayfield occupies a 20 acre site adjacent to Piccadilly Station, and sits within the Eastern Gateway area of the city. The area is bounded by the Inner Relief Road (Mancunian Way) to the south, Fairfield Street to the north and London Road to the west. This area has for many years been derelict and suffered from a lack of activity and investment.

4.55 A Strategic Regeneration Framework for Mayfield was formally adopted by the Executive in 2010. An updated draft SRF (August 2013) has been prepared which builds on the principles endorsed in the 2010 Report.

4.56 The draft SRF presents Mayfield as a distinctive new urban quarter that defines a key gateway into Manchester and extends the high quality environment of the city centre. The SRF notes that Mayfield will deliver significant economic and regeneration benefits, which will in turn drive wider economic growth. The location and scale of the development provide an opportunity to attract major new employers into the area. The SRF seeks to create a diverse and balanced mix of uses, including:

- A northern development zone which has a focus on providing well connected Grade A commercial floor space up to 680,000 sq ft. Immediately adjacent to the region's largest transport hub, businesses will benefit from the possibility of stepping off a two hour train from central London, 50 minutes from Leeds and 45 minutes from Liverpool, directly to their front door. The 20 minute journey to Manchester International Airport will help businesses capitalise on their international connections. Mayfield will be among the city's most desirable commercial addresses.
- A southern development zone with a focus on housing and with the potential to deliver over 1,300 new homes in a mix of 2 and 3 bedroom townhouses, 1 and 2 bedroom apartments and penthouses in line with the objectives in the Core Strategy.

- A 6 acre public park focused around the remediated River Medlock providing a substantial publicly accessibly amenity. The park would provide opportunities for recreation and enjoyment by all and would be connected in to the city centre by open and attractive routes. The boundary of the park would be opened out to ensure that it connects directly with surrounding areas, and is understood as a facility for the whole city and not just for Mayfield.
- Utilising the existing viaduct arches beneath Piccadilly offers the opportunity to provide space for a dynamic mix of activities including specialist markets, performance venues, art installations, retail opportunities and leisure facilities. It would also open up connections through a structure which has acted as a barrier for 150 years.

4.57 The Mayfield scheme forms part of the overall development proposals for the Piccadilly area, a site of 140 acres in total. The potential upgrades to Piccadilly Station, the opportunities presented by the Northern Hub development strategy and HS2 would together create major physical and economic regeneration benefits for the city as a whole and the Piccadilly area in particular.

4.58 In addition, construction of the proposed development will reinforce Piccadilly as an attractive gateway into the City Centre and will therefore support the future extension of city centre quality uses into the Mayfield site. It is quite clear that the Mayfield area of the city centre represents a significant medium to long term opportunity building in particular on its gateway location and proximity to the main regional transport hub of Piccadilly Station. This will clearly gain further momentum should the HS2 project come forward.

Summary – Economic and Regeneration Policy Drivers

- The site is in a sustainable location with excellent public transport connections providing easy accessibility both for visitors and future employees.
- The hotel will provide approximately 129 FTE jobs once operational providing local employment opportunities within a highly accessible location. During both the construction and operational phases of the proposed development, there will be significant supply chain benefits for local suppliers offering products and services to support those processes.
- The proposed development is essential to improve the first impressions and perceptions of the City. It will provide a well-designed and contextually responsive building along a key pedestrian route from Piccadilly Station (the Regional Transport Hub) to the City Centre.
- The proposals will result in a transformational project that will deliver a high quality building on a current ‘gap site’ and bring a Grade II Listed Building back into active use on a key pedestrian route from Piccadilly Station (the Regional Transport Hub) to the City Centre.
- The project will secure approx. £17 million of direct investment into the local economy which will act as a catalyst to the regeneration of the adjoining regeneration priority sites including the former Mayfield station and the Aytoun campus.
- The hotel will inject life and vitality into this part of the City and that will have positive spin-off benefits for adjoining regeneration areas. The level of investment and quality of the product will act as a stimulus to further regeneration in this part of the City Centre.
- The scheme supports strategic planning policy objectives identified within the Strategic Plan for Manchester, the Core Strategy and the relevant regeneration frameworks.

5 Conclusions

5.1 A summary of the key headlines are provided below:

- The application proposals respond to the operational and commercial requirements of a secured operator for the scheme, as well as a range of other planning and contextual considerations which have been considered in this report. That operator, Yotel, is an award winning, distinctive brand that is not only new to Manchester but also new to the UK in the format proposed. A funding strategy is in place to deliver the development.

- The site is well suited to a hotel operator given its city centre location, visibility and prominence on a key pedestrian route and proximity to Piccadilly Station. This is reflected in the fact that the Piccadilly area in the vicinity of the Station is developing into something of a hospitality hub to serve the City Centre. The proposed hotel, in terms of its market positioning and distinctive offer, will act as a complementary addition to the existing hotels in the area such as the Malmaison, City Inn, Macdonald and Abode. In addition, the new hotel will support the excellent conferencing facilities in the City, business and the leisure and tourism offer.

- The site is close proximity to Piccadilly Railway Station and has a frontage onto Piccadilly which is an important city centre street and key pedestrian desire line for those accessing or exiting the railway station and wishing to connect to Manchester primary retailing and central commercial areas in particular.

- The proposed development will deliver a high quality building on what is currently 'gap site' and bring a Grade II Listed Building back into active use. The approx. £17 million invested in the site will therefore significantly improve the perception, and user experience, on this important strategic route in the city centre. The proposed hotel scheme will create the right first impression for visitors arriving to Manchester from Piccadilly Station. It is a high quality design and will accommodate an internationally successful operator.

- The improved environment and perception created by the proposed development will encourage additional investment within the area – including in relation to the Former Employment Exchange building which has also been a long term redevelopment opportunity in urgent need of investment within the vicinity of the site.

- The proposed development will secure the re-use of the Listed Building on the site, and therefore its future upkeep and maintenance. It will allow the building's value as a heritage asset to be protected and utilised in a positive way for the good of the City. The proposed use as a hotel will mean that much of the Listed Building will be open to public and can be fully appreciated. Its active use and prominent entrance onto the street will allow the building to assert its presence into the street scene to a much greater extent that at present. This will have a significant impact in terms of lifting the area.

- Planning Permission and Listed Building Consent was granted for the site in 2007. Those consents allowed the wholesale removal of the interior of the Listed Building, necessary to bring the building back into use, together with the careful removal of the rear toilet block and stairwell, as also required by the current proposals. In addition, the scheme permitted a significant office building, at 9 storeys, immediately adjacent to the Listed Building on the gap site.

- During pre-application consultation with English Heritage (EH), positive discussions have taken place with regard to the conversion works required to adapt the Listed Building. It has been noted that proposal to use this building as the bar and part of the reception for the new hotel will result in the demolition of the staircase but in mitigation the stained glass windows to the stairs will be re-used to form the bar area. Also, it is noted that the entrance lobby from the street to the stairs is lined with good quality decorative marble linings and EH has requested the partial retention and partial re-use of these. They also welcome the intention to replace the existing windows with something more sympathetic to the character of the Listed Building.

- Where English Heritage has raised questions is in relation to the height of the proposed new building. In this regard, the Heritage Assessment and Visual Impact Assessment which accompanies this application demonstrate that the visual impact of the proposed development is minor and largely beneficial. This is in part due to the relatively tightly defined Zone of Visual Influence that the revised proposals have, notwithstanding their height – due to the City's topography and relatively dense urban grain – particularly within the adjoining Stevenson Square Conservation Area.

- A number of new build massing arrangements have been considered, resulting in a preferred option that creates a simple and elegant 20 storey tower. The tower was the most efficient way of arranging the required amount of accommodation working with the configuration of the site.

- The hotel will provide approximately 129 FTE jobs once operational providing local employment opportunities within a highly accessible location. During both the construction and operational phases of the proposed development, there will be significant supply chain benefits for local suppliers offering products and services to support those processes.

- The hotel will inject life and vitality into this part of the City and that will have positive spin-off benefits for adjoining regeneration areas. The level of investment and quality of the product will act as a stimulus to further regeneration in this part of the City Centre and supports the long term strategic regeneration objectives for the Piccadilly area which can be taken to include Mayfield, Piccadilly Basin, Northern Quarter, Ancoats and East Manchester as well as taking in the Corridor. It is clear that these areas have a major part to play if the City is to achieve its economic growth objectives, and this point will be further underlined should HS2 come forward enhancing the area's immediate connections to the Airport, London and mainland Europe.

- The hotel accommodation is required to service existing demand as well as the forecast economic growth and increased anticipated visitor numbers within City Region which will be focussed on the Regional Centre as its main economic driver and locational opportunity for securing economic growth.

- The scheme supports strategic planning policy objectives identified within the GM Strategy, Core Strategy and the City's Strategic Regeneration Frameworks.

- It is clear from the evidence presented in this report that there are significant economic and regeneration benefits associated with this proposal. It is our view, when these factors are considered in light of the full range of considerations assessed in the wider planning submission, that the proposals meet the requirement of planning policy and merit the grant of Planning Permission and Listed Building Consent.

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