

Economic Impact Statement

In respect of the proposed development at

**Culture Hub, Wythenshawe Civic
Centre, The Birtles, M22 5RF**

Final Report

On behalf of

**Manchester City Council
Development and Investment
Estate Service**

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This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed:

A handwritten signature in blue ink that reads "Lambert Smith Hampton".

For and on behalf of Lambert Smith Hampton

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1.0 Introduction

1.1 Lambert Smith Hampton [LSH] on behalf of Manchester City Council's Development & Investment Estate (MCC) [the Applicant] has prepared this Economic Statement (ES). MCC are initiating the regeneration of Wythenshawe Civic Centre, in line with the Wythenshawe Town Centre Development Framework (2022). This ES accompanies a Change of Use application for the former Co-operative department store which comprises two vacant office floors above at The Birtles, Civic Centre, Wythenshawe, M22 5RF.

1.2 As the proposal will involve the change of use of former office space, this ES is provided to assist Manchester City Council in their consideration of the application for:

"Change of use of first and second floor from Use Class E to F1 (Community Facilities) together with associated elevational alterations".

1.3 Figure 1.1 below shows the geographical context of the site and the proposed site location plan is shown in Figure 1.2, which has also been submitted alongside this application.

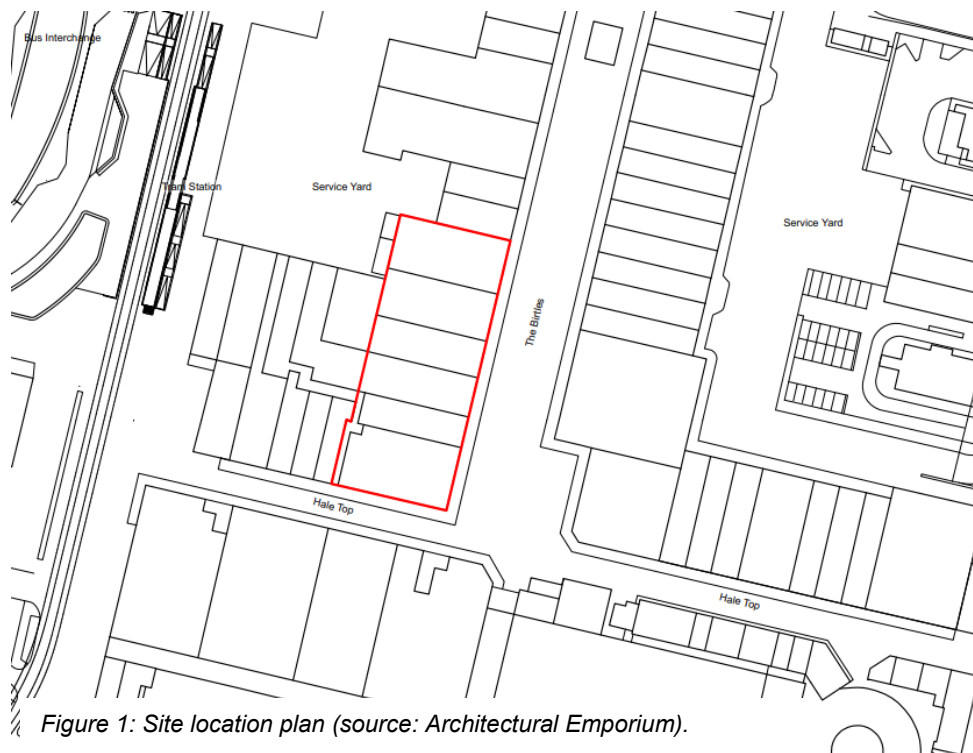


Figure 1: Site location plan (source: Architectural Emporium).

1.4 The structure of this report aligns with the Manchester City Council's validation checklist for full planning applications, which are required to submit Economic Statements (ES)

when the loss of land or buildings for employment purposes will occur as a result of the proposal¹. The guidance on Economic Statements, confirms that information on the following needs to be provided:

- The floorspace being lost
- The number of jobs being lost and/or relocated
- Why the site is no longer capable of offering accommodation for employment use
- A relocation strategy for existing employment uses
- Why an alternative use offers greater benefits

1.5 As such this ES seeks to provide the required outputs to demonstrate to MCC that the proposal will create improved economic benefit as a result of the proposals and therefore demonstrate that the change of use accords with the City Council's growth agenda within the Core Strategy (SP1, EC1, EC2 and EC10) in the context of Wythenshawe district centre.

¹ Manchester City Council Validation Checklist (Page 4: Economic Statements)

2.0 Existing floorspace

2.1 The application site comprises a part two part three-storey building in Wythenshawe district centre. Currently, the ground floor is in use as a retail unit and is not included within the change of use application. The change of use application is seeking to amend the lawful use of the first and second floor of the building to Use Class F1 in order for a new community cultural facility to be established within the district centre. The first and second floor of the building are currently vacant; it has not been possible to verify when they were last in use and whether this was office use or storage use for ground commercial units.

2.2 LSH can confirm that the Gross Internal Area (GIA) of the site is 2,916 sq.m which is broken down into the following:

- First Floor = 1,761 sq.m GIA (1,409 sq.m NIA)
- Second Floor = 1,155 sq.m GIA (924 sq.m NIA)
 - The total Net Internal Area is 2,333 sq.m

3.0 Employment Loss and Generation

- 3.1 As the office space on the first and second floor is vacant there is no existing employment loss associated with the change of use of the floorspace.
- 3.2 Theoretically if the existing floorspace is occupied under its current legal land use (Class E (g) (former Use Class B1) then in accordance with national employment density estimates² the office density could be between 180 and 290 adopting a density of between 8 (call centres) and 13 (corporate offices) Full Time Equivalent (FTE) per sq.m.
- 3.3 MCC is currently in the process of selecting an occupier for the proposed community cultural facility, and further details regarding the employment generation can be provided once the operator is appointed, though any employment generation will likely lead to a net increase from the existing baseline position of zero employment.
- 3.4 In terms of new 'Visitor and Cultural attractions', the Employment Density Guide 'employment density matrix', states that job creation is between 30 and 300 FTE per sq.m, with the wide range attributed to the diversity of the cultural attraction sector. For the purpose of this scenario, the lowest density has been used given the nature of the proposal. LSH therefore estimate that job creation will be around 88 jobs, when applying this to the first and second floors.
- 3.5 We also note that part of the ground floor is currently vacant, with the former Select clothes shop on the corner of Hale Top and The Birtles being closed for some time. The proposed project will create a new coffee shop facility that will support the wider offer of the community cultural hub. This will provide kitchen and bar/serving areas, which will support 90 internal covers and 40 external covers, the internal area will be around 134 sq.m. LSH estimate that based on an employment density of 13 FTE per sq.m that the re-occupation of the ground floor could create around 10 new jobs.
- 3.6 Therefore, based on the two proposed component parts, LSH estimate that the total job creation of the community cultural hub would be around 98 FTE job against the current baseline. Whilst the job creation would remain lower when compared to the theoretical position, LSH note that the upper floors have been vacant for a long time with no or little evidence of demand for this space to be re-occupied for functioning and effective office uses. Therefore, in the real world, the proposed development will result in a net increase in job creation.

² Employment Density Guide (3rd edition, 2015)

- 3.7 The net uplift in job creation is important in that the proposal will be seeking to diversify and re-use vacant and unoccupied space and will therefore create an effective positive economic output for the centre which fully accords with the ambitions of the LUF funding and the 2022 masterplan.
- 3.8 Manchester City Council have undertaken their own internal feasibility work on the operation of the new cultural hub and estimate that there will be 6.45 FTE as a base model on the management, this excludes the employment derived from workspace and other uses that will be created as part of the wider re-utilisation of the upper floors.
- 3.9 We also note that whilst theoretically the upper floor office floorspace will be lost, LSH can confirm that within the wider masterplan there are possible alternative sites being considered to create further co-working and employment space in the town centre, this will likely off-set any theoretical loss that has been identified.

4.0 Site Capacity to Offer Employment Use

- 4.1 This change of use application comprises the second stage in the wider regeneration of the Wythenshawe Civic Centre, following a Prior Approval for Demolition application for former Peacocks clothing store and adjacent retail unit. The 2022 Development Framework confirms that *'many of the retail units, the upper floor office spaces along The Birtles and Hale Top are vacant'*, and that the *'levels of vacancy are consistent with the changing demand of the high street'*.
- 4.2 The framework identifies a need to diversify the high street and supplement with activities based on culture, food and creative workplaces, which the change of use application is directly responding to and implementing as a direct result of successful Levelling Up Funding (LUF) award (£20m) in November 2023.
- 4.3 LSH can also confirm that the culture hub (this is a working title) capacity for the new building in terms audience and customers is likely to be around 650 persons, and this is linked to likely maximum fire regulations/capacity thresholds. Therefore, the resultant customer base will be significant and bring in new customers to Wythenshawe Civic Centre throughout the day and evening period. This will bring both tangible and intangible benefits to the wider business community in the town centre through linked trips to existing facilities in the town centre.
- 4.4 As per the wider masterplan for Wythenshawe Town Centre, new office accommodation will be provided which will include flexible office and creative co-working spaces. The loss in office space, as detailed within this application, will be replaced with a higher-grade provision that will focus on reduced energy use and carbon emissions as part of the City Council's wider ambition to meet zero carbon target by 2038 and ahead of the UK Government's target by 2050. These in turn seek to make Manchester a healthier, green and more socially just city.

5.0 Relocation Strategy for Existing Employment Use

- 5.1 As outlined above, there will be no displaced employees as a result of the proposed change of use. The community facility will generate 98 of employees that will result in a net increases in FTE jobs when compared against current baseline position of zero jobs in the upper floor.

6.0 Benefits of Alternative Use

- 6.1 The community cultural hub is intended to create a space for local residents, schools, colleges and communities to improve skills through various programmes and workshops. The hub is envisioned as a sustainable community facing facility that will provide dynamic, creative and cultural space that will seek to bring together local artists, creative organisation and community activities.

- 6.2 Not only will this change of use result in the occupation of vacant Class E floorspace, but it will also provide support and education to the local community, representing an overall positive and much-needed intervention in Wythenshawe Town Centre. Secondly, this will allow the local community to have tangible access to enhanced cultural facilities which will provide both educational, creative and well-being benefits to the local residential community.

- 6.3 As per the Wythenshawe Town Centre Development Framework (2022), the introduction of a permanent space for creative industries will bring significant opportunities for music, performing and visual arts as well as softer education skills, which will contribute to local communities improved understanding about the culture and creative sector, as well as learning the skills needed for future employment. The change of use, as detailed within this application, will allow the unused space to be brought forward and address unemployment levels in Wythenshawe and the wider south Manchester area.

- 6.4 The 'creative studio space' provided within this site will address the requirements for space by the creative industries of Greater Manchester, to provide an inclusive place for collaboration and the learning of new skills.

- 6.5 In terms of wider evidence associated with the economic benefits of the cultural industry, the Department for Culture, Media and Sport (DCMS) have confirmed that from 2010-2019, creative industries grew more than one and a half times faster than the wider economy, and in 2021 they generated £108bn in economic value, and employing 2.3 million people which was a 49% increase on 2011 statistics³.

- 6.6 Along with the economic importance, creative industries inform, design and shape cities and define shared values which can improve local life choices. DCMS data shows that in regard to music, performing and visual arts, a GVA of £11.2bn was produced in the year up to December 2023, whilst this was £1bn for museums, galleries and libraries, showing the wide-ranging opportunities created through this industry.

³ Contribution of the arts to society and the economy - House of Lords Library

- 6.7 Investment into the cultural development of Wythenshawe is therefore strongly in line with wider national trends and objectives, of providing a range of employment options and the ability to explore and understand the value of arts. The economic and social value as a result of this type of investment is clear, with a high demand for space of this nature.
- 6.8 The economic benefits of cultural uses can be categorised into three groups, economic, social and environmental.
- 6.9 In terms of economic benefits of new cultural facilities, these can include, but are not limited to:
- Injects new money into the local economy, boosting businesses and tax revenues that can then be recycled into other social infrastructure and initiatives;
 - Creates new jobs, businesses, events, and attractions, thus helping diversify the local economy and offer;
 - Supports small business enterprises (SMEs) and enables them to trial, grow and expand new ideas;
 - Promotes the active preservation and protection of important local resources such as charities, local clubs etc;
 - Builds upon existing and new vital relationships among and within local communities; and
 - Helps encourage the development and maintenance of new/existing community amenities.
- 6.10 In terms of social benefits of new cultural facilities, this can included but not limited to:
- Helps build social capital;
 - Promotes preservation of local traditions, customs, and culture. UNESCO now recognises intangible cultural heritage as being as important as buildings. A market for experiences and traditional projects provides the economic support for keeping these skills and traditions alive;
 - Promotes positive behaviour and well-being;
 - Helps improve a community's image and social pride;
 - Promotes community beautification and self-esteem;

- Builds opportunities for healthy and useful community relationships and partnerships that can bridge and bring together communities in a more inclusive way;
- Provides improved research, education, volunteering, and work placement opportunities for students and young people;
- It provides access to hard-to-reach groups, as well empowering younger people to engage with the creative sector, and build self-confidence and awareness. Importantly to provide and enable improved social connectivity through improved social interaction and collaboration with varying peer groups;
- Aligns with the Cultural Strategy adopted by MCC and the Places for Everyone Development Strategy adopted by Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan local authorities;
- Creates enjoyable opportunities for both local residents and visitors attraction to cultural arts, history and local preservation; and
- Boosts local investment in cultural and social resources and amenities that support wider services and businesses.

6.11 In terms of environment benefits of new cultural facilities, this includes but is not limited to:

- Improved cultural provision helps encourage a culture of preservation locally;
- Boost awareness of the culture site, attraction, or area's significance;
- Help encourage local residents and visitors to be mindful of their impact on the natural and built environment

6.12 In addition to the above benefits, cultural development can bring to a local area, recent research by the Arts Council⁴ explored the impact of arts and culture on the wider creative economy. This study found the following positive impacts of improved and culture on the wider economy and creative sector:

- Innovation. Arts and culture acts as an R&D laboratory for the creative industries, encouraging experimentation and in turn driving innovation and commercial activity.
- Education. Arts and culture enable access to a rich and diverse education, preparing young people with the skills and creativity needed in a changing world of work.

⁴ Art Council: The Impact of Arts and Culture on the wider Creative Economy (2020)

- Collaboration. Collaboration enables individuals and organisations to create new products and services outside of their established skillset and extend the value of their outputs.
- Clustering. The clustering of sectors within the creative economy creates an agglomeration effect, driving productivity through a supportive business environment.

6.13 The above analysis shows that there are significant social, economic and environment benefits aligned with the introduction of cultural investment in the former office space that will outweigh any theoretical reduction in the former office space. These considerable benefits need to be weighed against the key benefit of re-using the baseline empty floorspace that fully aligns with the 2022 Framework.

7.0 Planning Policy Context

7.1 Further to the above benefits of the cultural development, it is important to understand this in the context of defined development plan policies. Manchester City Council's Development plan comprises the following documents:

- Places for Everyone (Joint Development Plan), adopted March 2024;
- Core Strategy, adopted 2012;
- Interactive Proposals Map;
- Greater Manchester Joint Waste DPD; and
- Greater Manchester Joint Minerals DPD.

7.2 Review of the Manchester Development Plan suggests the following policies are of relevance to the change of use application in the terms of economic and main town centre uses:

SP1: Spatial Principles

7.3 This policy states that developments in all parts of the city should:

- *Make a positive contribution to neighbourhoods of choice including*
 - *Creating well designed places that enhance or create character*
 - *Making a positive contribution to the health, safety and wellbeing of residents*
- *Minimise emissions, ensure efficient use and reuse previously developed land wherever possible.*

7.4 The proposal is therefore aligned with the spatial principles of the Manchester Core Strategy in regard to the positive contribution that will be made to Wythenshawe Town Centre, and the creation of an enhanced community offering.

EC1: Employment and Economic Growth in Manchester

7.5 Whilst this policy stipulates the level of economic development in the Manchester (i.e. Manchester city centre, City Centre Fringe) there are various alternative priorities to ensure continued economic growth. This includes:

- *"Ensuring the continued social, economic, and environmental regeneration of the City.*

7.6 Development proposals should also have regard to:

- *Ensuring design makes the best possible use of a site or building in terms of efficient use of space, enhancing the sense of place of the wider area and minimising detrimental impacts on adjacent uses, considers the needs of the users of a building for access and reduction of opportunities for crime."*

7.7 The application therefore positively responds to this policy, in relation to the social value of the proposed change of use and regenerating a vacant and economically redundant building with the purpose of enhancing the sense of place to provide opportunities for the diverse Wythenshawe community.

EC2: Existing Employment Space

7.8 Alternative uses for existing employment space will only be supported on unallocated sites if it can be demonstrated that:

- *The existing use is un-viable in terms of operation, building age and format;*
- *The existing use is incompatible with adjacent uses;*
- *The existing use is unsuitable for employment;*
- *The proposals are able to offer greater benefits in terms of the Core Strategy's vision and spatial objectives.*

EC10: Wythenshawe

7.9 The policy seeks to allocate 55ha of employment land within B1a (now E (g) (i)) office and other employment uses (B2 and B8). In terms of the town centre, Wythenshawe is allocated as a district centre, *'which is suitable for mixed use local employment provision serving their catchment area'*.

Places for Everyone (Joint Development Plan) 2022 to 2039

- 7.10 Places for Everyone is a Joint Development Plan of Bolton, Bury, Manchester, Oldham, Rochdale, Salford, Tameside, Trafford and Wigan Councils, setting out the long-term plans for jobs, new housing and sustainable growth within the nine Greater Manchester local authorities.
- 7.11 Notably, Policy JP-P3 (Cultural Facilities) states that the councils will develop and support cultural businesses and attractions through measures including:

- Supporting the development of new cultural developments in town centres and places with good public transport connectivity; and
- Promoting new locally distinct clusters of cultural facilities, especially where they can provide an anchor for local regeneration and town centre renewal.

7.12 As the change of use of the site will ultimately enhance the cultural provision in the area and can provide an anchor for local regeneration by helping to inject new money into the local economy, the application positively responds to the development plan.

National Planning Policy Framework (2024)

7.13 Paragraph of the NPPF confirms that proposed policies and decisions should seek to support the role that town centre play at the heart of local communities and this should be through growth, management and adoption of town centres. Paragraph 90a clearly confirms that proposals should seek to promote the long-term vitality and viability of town centres by allowing them to grow and diversify in way that responds to rapid changes in the retail and leisure industries, allowing a suitable mix of use (including Culture) that will then reflects the local characters.

Other relevant documents:

Always, Everywhere: Manchester's Cultural Ambition 2024-2034 (Cultural Strategy)

7.14 The strategy sets out Manchester's strategic directions over the ten-year period to enhance culture within the city. The framework consists of three key strategic pillars:

- *'Everyone'* which aims to widen access to culture for all;
- *'Everything'* which aims to highlight the increased scope for culture in Manchester; and
- *'Everywhere'* which aims to create more spaces and places where culture can happen.

7.15 The application positively responds to Manchester's cultural ambition as the change of use will increase access to culture and provide additional space for cultural activities. From an employment perspective, the change of use will allow the unused space to be a space for people to develop skills and progress to employment. Additionally, the space can help provide routes into employment in the cultural or creative sector both regionally, nationally and internationally.

Conclusion

- 7.16 The proposed re-use of the vacant building therefore fully conforms to the policy direction of Paragraph 90 of the NPPF by diversifying Wythenshawe town centre which will positively contribute towards it improved vitality and viability in the longer term.
- 7.17 The proposal accords with the Places for Everyone Joint Development Plan and will provide early delivery towards Manchester's cultural strategy which can set a positive example to wider cultural developments in Manchester.
- 7.18 Further the proposals fully align with Policy EC10 of the Core Strategy in that the introduction of culture hub will encourage a mix of uses in a defined district centre. The proposal will ultimately replace an existing main town centre use (E (g) (i)) for another acceptable main town centre⁵ use (Use Class F1) and therefore in policy terms is neutral change, but important seeks to repurpose and reutilise vacant floorspace for an acceptable main town centre use. This re-use is in the context of a significant level of empty office space at upper floor level across the town centre.

⁵ As defined by Annex 2 of the NPPF

8.0 Conclusion

- 8.1 This ES has clearly demonstrated the key criteria have been satisfied, which should allow the change of use to be determined positively. The high level of retail and office vacancy around Wythenshawe Town Centre results in the existing use of the site no longer being suitable or viable for economic growth.
- 8.2 It should also be noted that whilst there is a theoretical loss of office space at this site, this is being replaced by another town centre use through culture uses (Use Class F1) in response to providing key services to Wythenshawe that will subsequently positively respond and support the vitality and viability of the centre which fully accords with paragraph 90 of the NPPF, the Core Strategy (SP1, EC1, EC2, EC10), Cultural Strategy and the Places for Everyone Joint Development Plan (Policy JP-P3).