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BY EMAIL ONLY (pcu@communities.gov.uk)

Your ref: 137226/FO/2023 & 137227/FO/2023
Our ref: 002052/0001/PA
8 October 2025

Dear Sirs

APPLICATION REFERENCES: (1) 137226/FO/2023- PART OF PLOT C AND PLOT E, GREAT JACKSON STREET, MANCHESTER AND (2) 137227/FO/2023- PLOT D, GREAT JACKSON STREET, MANCHESTER

OUR CLIENT: RENAKER BUILD LTD

RE: RESPONSE TO WALKER MORRIS LETTERS DATED 1 AUGUST 2025 ISSUED ON BEHALF OF GREAT JACKSON ST ESTATES LIMITED

1. Background and Introduction

1.1 We are instructed by Renaker Build Limited ('RBL') in relation to planning legal matters in connection with both:

- (a) Planning application reference number 137226/FO/2023 in relation to the proposed development of the site known as Part of Plot C and Plot E, Great Jackson Street, Manchester, M15 4NP ('**Plot C and E Application**'); and
- (b) Planning application reference number 137227/FO/2023 in relation to the proposed development of the site known as Plot D, Great Jackson Street, Manchester, M15 4NP ('**Plot D Application**').

(collectively referred to as '**the Applications**')

1.2 The description of development for the Plot C and E Application is:

Partners: Paul Arnett, Elizabeth Christie, Duncan Field, Clare Fielding, Raj Gupta,
Martyn Jarvis, Meeta Kaur, Victoria McKeegan, Simon Ricketts, Louise Samuel, Spencer Tewis-Allen

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tn.

“Full planning permission for the demolition of existing structures and the phased construction of four residential buildings (two at 47 storeys and two at 51 storeys) to provide 1,746 homes (Use Class C3), flexible commercial, leisure, food and drink uses (all Use Class E) and / or drinking establishment (Sui Generis), basement car parking, cycle parking, landscaping and public realm, servicing and access arrangements, highways alterations and associated works”

- 1.3 The description of development for the Plot D Application is:

“Full planning permission for the demolition of existing structures and the erection of one residential building to a height of 71 storeys comprising 642 homes (Use Class C3) with food and drink uses (Use Class E) and / or drinking establishment (Sui Generis); and one office building (Use Class E); with basement car parking, cycle parking, landscaping and public realm, servicing and access arrangements, highways alterations and associated works”

- 1.4 Individually and collectively, the Plot C and E Application and the Plot D Application will deliver very significant public and planning benefits in Manchester including, among other things:

- (a) In the case of the Plot C and E Application:

- (i) 1,746 new homes;
- (ii) Ground floor commercial uses (1,262.9 sqm GEA)
- (iii) Publicly accessible restaurant;
- (iv) New public and provide amenity space;

- (b) In the case of the Plot D Application:

- (i) 642 new homes;
- (ii) 3 storey office building;
- (iii) New public and private amenity space;

- 1.5 The Applications were individually considered by Manchester City Council (**‘MCC’**) at the Planning and Highways Committee (**‘Committee’**) meeting on 29 August 2024. After careful consideration, both Applications were resolved to be granted by MCC Members. In the case of the Plot C and E Application, the resolution to grant was subject to a legal agreement for a review mechanism for a financial contribution towards offsite affordable housing, for offsite biodiversity mitigation, with an additional condition for the application to re-consider children’s play spaces within the application. In the case of the Plot D Application, the resolution to grant was subject to a legal agreement for a review mechanism for a financial contribution towards offsite affordable housing, offsite tree planting, and offsite biodiversity. (collectively referred to as the **‘August 2024 Resolutions’**).

- 1.6 Thereafter, RBL and MCC have been finalising the terms of the proposed planning conditions for each scheme and negotiating the detailed terms of the section 106 agreement proposed to be entered into in connection with the Plot C and E Application and the section 106 agreement proposed to be entered into in connection with the Plot D Application.

- 1.7 In accordance with Article 40(3) of the Town and Country Planning (Development Management Procedure) (England) Order 2015 and the recent Court of Appeal judgment in *Greenfields (IOW) Limited v Isle of Wight Council [2025] EWCA Civ 488*, MCC publicised drafts of the section 106 agreements for the Applications on the planning register for each application on 18 July 2025.

- 1.8 In response to the publication of the draft section 106 agreements, Great Jackson St Estates Limited (**‘GJSEL’**), have written two separate objections letters dated 1 August 2025 (albeit in materially identical terms). The first letter is in respect of the Plot C and Plot E Application (**‘Plot C/E Objection’**)

and the second letter is in respect of the Plot D Application (**'Plot D Objection'**) (collectively referred to as the **'August Letters'**). The August Letters particularise what GJSEL say are their further objections to the Applications. It is stated that the contents of the August Letters are in addition to GJSEL's previous objections contained in the Waker Morris letters of 4 August 2023 and 21 June 2024.

- 1.9 This letter responds only to the points raised in the August Letters which relate to the Applications. For the avoidance of doubt, the absence of responses from RBL on the multitude of unrelated issues raised in the August Letters should not be taken or interpreted in any way as RBLs agreement or assent to any of these points and RBL hereby reserves the right to respond to all and any of these unrelated points in future correspondence and/or dispute forums if necessary and appropriate in due course.
- 1.10 For ease of reference and to avoid duplicate response letters in materially identical terms, this response letter refers (where necessary and appropriate) to the specific paragraph numbers or subheadings used in the Plot C/E Objection. Where it differs, the relevant paragraph numbers from the Plot D Objection are included in footnotes to this letter.

2. Consideration

- 2.1 **Planning Committee-** at paragraphs 2.1-2.5 of the Plot C/E Objection¹, GJSEL question, in cursory fashion, MCCs entirely sensible and reasonable conclusion that the Applications are deliverable in accordance with policy EN2 of the Core Strategy and would comply with the development plan overall on the basis of RBL's exemplary track record for delivery and commitment to transform the area². These criticisms by GJSEL are unsubstantiated and without any force or merit. The conclusions by MCC³ as to compliance with policy EN2 and accordance with the development plan overall (pursuant to the section 38(6) Planning and Compulsory Act 2004 statutory test) are classic matters of evaluative planning judgment by MCC which cannot be impugned by GJSEL as is alleged in the August Letters or at all.
- 2.2 Similarly, the unsubstantiated criticisms made in the August Letters about the conclusions of MCC Members on the matter of affordable housing are without merit and comprise a very selective extract from the minutes of the 29th of August Committee meeting. Having regard to the contents of the Committee report, the update report, and discussions at Committee as a whole, MCC were fully entitled, in the exercise of their evaluative planning judgment, and on the viability evidence before them (which had been independently appraised by Savills), and applying policy H8 of the Core Strategy, to conclude that it would be unviable for RBL to deliver affordable housing and that viability would therefore be retested pursuant to a late stage viability review mechanism to be secured in the section 106 agreements proposed to be entered into in connection with the Applications.
- 2.3 **Section 106 Agreement-** At paragraphs 3.1 to 3.3 of the Plot C/E Objection⁴, GJSEL suggest (albeit without substantiating their argument) that the Committee were given contrary and misleading advice by Officers. There is no force in these contentions and/or in the assertion that the position is illogical as is alleged by GJSEL or at all. On the contrary, Officers' advice and analysis (both in the

¹ Paragraphs 2.1-2.4 of the Plot D Objection.

² having already delivered 3,000 homes and other supporting infrastructure in the Great Jackson Street Framework area.

³ Reflecting Officers analysis at page 5 of the update report to Committee.

⁴ Paragraphs 3.1-3.2 of the Plot D Objection

- committee reports and orally) was clear and cogent on the deliverability and viability issues and did not mislead Members let alone materially mislead them which is the actionable test in law⁵.
- 2.4 Indeed, it is clear from paragraph 3.3 of the Plot C/E Objection⁶ that GJSEL have misinterpreted the viability evidence and Officers' analysis in light of this viability evidence. Indeed, directly contrary to what GJSEL repeatedly allege, at no point have RBL claimed that either the Applications (or indeed the previous Renaker schemes) are unviable. What the viability evidence clearly and robustly demonstrates is that it would be unviable to deliver affordable housing.
- 2.5 **Permitted Profit Level-** At paragraphs 3.4 to 3.9 of the Plot C/E Objection⁷, GJSEL criticise the proposed permitted profit level in the viability review mechanism in the draft section 106 agreement for the Applications and also make various other unsubstantiated claims. This letter will respond to each of these points in turn.
- 2.6 First, the Plot C/Objection⁸, at paragraph 3.6, references the disclaimer on the Savills report which independently appraised the technical viability evidence submitted by Roger Hannah on behalf of RBL. It suggests that this Savills disclaimer in and of itself somehow undermines or reduces the weight that could and should have been attached to the independent assessment of the viability assessment and that the terms of this disclaimer should have been specifically brought to the attention of Members at Committee on 29th August. There is no merit in this point. Such disclaimers, which are not bespoke to the Applications in any event, are not unusual, industry standard, and (in part) recognise that viability assessment is not a formal valuation under the RICS Valuation- Global Standards (Red Book).
- 2.7 Second, the Plot C/E Objection criticises, at paragraphs 3.7 and 3.8⁹, the proposed permitted profit level of 20%, referring to it as purportedly inexplicable, when the Roger Hannah and Savills assessment tested against a 18% developer return. What is not recognised by GJSEL is that both the Roger Hannah and Savills reports acknowledge that the target margin should be above 18%, with the Roger Hannah report stating that 20% should be the minimum target margin. Savills also state in its report that it is likely that a developer would target a higher profit margin than 18% to reflect the increased sales risk, market uncertainty, and complexity/height/scale of the proposed developments.
- 2.8 In addition, what GJSEL conspicuously fails to mention here (or indeed at any point in the August Letters) is that the 20% permitted profit level is fully compliant with the recommended range for developer return in paragraph 10-018-20190509 of the Planning Practice Guidance ('PPG'). As such, there is nothing inexplicable about this level of developer return as GJSEL suggest. What the GJSEL criticism also fails to have any or any sufficient regard to is that the developer return level should be considered in the round of the assumptions made within an appraisal and should reflect the risk in bringing the proposed developments forward. In this respect, and as confirmed in the Roger Hannah report, market conditions are currently characterised by relatively high interest rates, increasing costs of living, reduced affordability, and cost inflation. This has affected values and rates of sales, general consumer confidence, and increased general development risk. Moreover, the Roger Hannah report points out that the scale of the proposed Applications are inherently risky because the level of capital outlay required to develop such schemes are significant, and the scale of the

⁵ Mansell v Tonbridge And Malling Borough Council [2017] EWCA Civ 1314 (08 September 2017) per Lindblom LJ at para. 42.

⁶ Paragraph 3.3 of the Plot D Objection.

⁷ Paragraphs 3.4-3.8 of the Plot D Objection.

⁸ Paragraph 3.6 of the Plot D Objection.

⁹ Paragraphs 3.6 and 3.7 of the Plot D Objection.

buildings means the build is necessarily complex. Furthermore, the Roger Hannah report notes that there is a lengthy build period to complete the scheme before any value is received by RBL, and RBL is therefore exposed to potential changes to the market over the build period. Accordingly, and as such, it is RBLs position based on current market conditions and given the scale and complexity of the proposed developments that a permitted profit level of 20% is entirely reasonable and justifiable and fully compliant with the PPG.

- 2.9 Third, the August Letters criticise (at paragraph 3.8 of the Plot C/E Objection¹⁰) the proposal in the draft section 106 agreement to carry forward in the operation of the viability review mechanism (if applicable) a deficit to another phase. There is no force in this point. In complex phased projects such as the Applications, there is nothing unusual about such an approach being adopted and agreed between a developer and a local planning authority particularly in the context of the large complex multi-phase schemes in the present case.
- 2.10 Fourth, the August Letters seek to find fault with the only funding/sale route being tested by RBL in the viability assessment material as being open market sale. Other routes such as, for example, the pre-sale or build-to-rent routes were not evaluated because that is not the intended delivery model for the proposed developments. Moreover, the viability review mechanism caters for this potentiality in any event. As such, if the delivery model was changed then there will still be a late stage viability review as provided for in the section 106 agreement for the Applications and depending on the outcome of this viability review the potential for an affordable housing contribution to be payable in the event that this route generated a surplus as specified in the section 106 agreements.
- 2.11 **Calculation of Surplus-** At paragraphs 3.10-3.17 of the Plot C/E Objection¹¹, GJSEL seeks to criticise the proposed approach to the calculation of surplus in the draft section 106 Agreement for the Applications. A number of misconceived points are then raised by GJSEL under this subheading.
- 2.12 First, GJSEL suggests that the proposal that any surplus profit, after deducting developer profit, will be shared between MCC and RBL 50/50 is neither reasonable nor logical. This criticism is unsubstantiated and misconceived in any event. There is nothing unreasonable or illogical about the proposed equal division of the surplus (which is routinely and standardly agreed in viability review mechanisms- both by MCC and other local planning authorities) recognising that such a division provides a commercial incentive to the developer (in this case RBL) to both improve its margin and attract investment etc. There is no national, regional or local policy or guidance which mandates what the particular apportionment of the surplus should be in a viability review mechanism. It is, therefore, a matter for agreement between a developer and a local planning authority in any given case. For proposed developments on the scale and complexity of the Applications, such an equal division is entirely reasonable. Indeed, such an equal division was proposed, for example, in the viability review mechanism for the proposed redevelopment of the Elephant and Castle shopping centre, and no judicial criticism was levelled at this proposed approach by either the High Court or the Court of Appeal in the *Flynn* litigation¹²
- 2.13 Second, it is also suggested in these sections of the August Letters that the margin in the Roger Hannah reports should serve as the permitted profit level. This point has no force or merit. Indeed, such an approach would be directly contrary to the relevant applicable PPG and RICS guidance which is clear on its face that the developer profit level should represent a reasonable return and be

¹⁰ Paragraph 3.7 of the Plot D Objection.

¹¹ Paragraphs 3.9-3.15 of the Plot D Objection.

¹² *Flynn, R (On the Application Of) v The London Borough of Southwark Council & Anor* [2021] EWCA Civ 827 (28 May 2021) (para 29 of the judgment).

reflective of risk. In the case of the Applications, it is agreed between the viability experts (Roger Hannah for RBL and Savills for MCC) that a suitable margin should be between 18% – 20%. That RBL are progressing matters based on a lower return is ultimately a commercial decision for RBL, and it does not mean that they are accepting the margin in our report as suitable. RBL, as any reasonable prudent developer would do, will doubtless seek to maximise profit through the development process in the form of value growth and/or cost savings, with RBL taking the view that this is possible and pursuing the Applications on this basis. In any event, should the profit amount exceed a certain specified level then the operation of the viability review mechanism to be robustly secured in the section 106 agreements for the Application will bite resulting in an affordable housing financial contribution being payable as a consequence thereof.

- 2.14 Third, these sections of the August Letters suggest that such a granular level of detail on the operation of the viability review mechanism should have been before Members at the August 2024 committee. This contention plainly overlooks both: (a) that in the usual way such detailed terms of the mechanism had not been negotiated between RBL and MCC prior to the August 2024 Committee and (b) that delegated authority was given to MCC officers to negotiate the terms of the viability review mechanism following committee in accordance with the terms of the August 2024 Resolutions which are not in any way unusual, unreasonable or atypical in form or content..
- 2.15 In this regard, the August Letters persistently seek to criticise MCC for not having discussed various detailed points in the committee reports. Advocating such a detailed approach to planning reports is directly contrary to the well settled legal principles relating to the reports of planning officers¹³ which include, for present purposes, the legal principles both (a) that reports to planning committee should be concise and focussed and (b) that the assessment of how much and what information to include in planning reports is for the expert judgment of planning officers.
- 2.16 **Compliance with the PPG-** At paragraphs 3.18-3.22¹⁴ of the Plot C/E Objection, it is claimed (albeit this claim is not then substantiated) that the proposed methodology in the viability review mechanisms in the draft section 106 agreements proposed to be entered into in connection with the Applications is contrary to the financial methodology set out in the PPG and paragraph 10-009-20190509 of the PPG is specifically cited in support of this contention.
- 2.17 As with the other GJSEL points, this criticism is misconceived. The PPG does not prescribe a detailed prescriptive methodology for viability review mechanisms. The purpose and intent of the helpful PPG viability guidance (including paragraph 10-009-20190509) is to provide principles and a framework for understanding and assessing development viability. It outlines key concepts and sets out recommended approaches to matters and considerations for viability assessments (both at the plan making and decision taking stages) but it does not mandate specific methods, formulas or calculations. Contrary to what the August Letters suggest, the proposed methodology and terms of the proposed viability review mechanisms in the section 106 agreements are in accordance with the principles of the PPG, and it is denied that the methodology and/or mechanism is non-compliant with the PPG as is alleged by GJSEL or at all.
- 2.18 Thereafter, and confusingly under the compliance with the PPG subheading, the Plot C/E Objection (at paragraphs 3.20-3.21¹⁵) seeks to criticise MCCs approach to viability review mechanisms generally suggesting that it is an outlier in comparison with other local planning authorities including surrounding boroughs. This point has no force and fails to recognise (a) that different local planning

¹³ Summarised in the case of *R (Armstrong) v Ashford Borough Council* (2023) EWHC 317 (Admin) at para 22 and *R (Trashorfield Ltd) v Bristol City Council v Sainsbury's Ltd, Bristol Rovers (1883) Ltd* [2014] EWHC 757 Admin

¹⁴ Paragraphs 3.16-3.20 of the Plot D Objection.

¹⁵ Paragraphs 3.18 and 3.19 of the Plot D Objection.

authorities have different adopted planning frameworks and policy criteria that individual planning applications are required to be assessed against and (b) that there are different local market conditions in different local authority areas such as, for example, relating to matters such as land values, build costs, and housing demand etc which varies significantly from local planning authority to local planning authority and (c) the delivery rates of other local planning authorities. Accordingly, and among other things for these reasons, such a benchmarking comparison exercise that GJSEL purports to undertake in the August Letters is not a meaningful exercise and immaterial to the determination of the Applications.

- 2.19 **Remainder of contents of August Letters-** At sections 4 and 5 of the August Letters, GJSEL then proceed to set out, at considerable length, many other misconceived grievances they have against both MCC (including concerning the GMCA litigation) and RBL variously referring to alleged perceived injustices relating, among other things, to previous RBL schemes and MCCs approach to affordable housing generally etc. Most of the points raised are irrelevant and immaterial to the determination of the Applications and the others merely repeat the misconceived criticisms set out in sections 1-4 of the August Letters, in respect of which RBL have responded above.
- 2.20 Accordingly, RBL do not intend to respond in this letter to such immaterial points suffice it to say for present purposes that the absence of specific responses from RBL on such extraneous matters should not be taken or interpreted in any way as RBLs agreement or assent to these points and RBL hereby reserves the full right to respond to all and any of these extraneous matters in future correspondence and/or dispute forums as may be necessary and appropriate.

3. Conclusion

- 3.1 For the reasons set out above, the August Letters are entirely without merit. There is no force in any of the points raised. The fundamental principle of the presumption of regularity¹⁶ applies to the August 2024 Resolutions by which these administrative decisions of MCC, including its internal resolutions, are presumed to be lawful unless and until they are quashed by the Courts. The contents of the August Letters do not remotely come close to rebutting this presumption of regularity. On the contrary, it is plain that no legal errors have occurred in the MCC decision making process for the Applications as is alleged by GJSEL in the August Letters or at all.
- 3.2 In truth, the August Letters are thinly disguised (and misconceived) attacks on the planning merits of the Applications which MCC have carefully considered in their evaluative planning judgment when making the August 2024 Resolutions which cannot and should not be legally impugned.
- 3.3 As to viability related matters, the terms of the proposed viability review mechanism in the section 106 agreement for the Applications are robust and wholly compliant with the principles and framework of the PPG.
- 3.4 As to the criticisms of the level of detail in the officer reports, the approach advocated by GJSEL is contrary to the settled legal principles for planning reports which include that reports to planning committee should be concise and focussed and that the assessment of how much and what information to include is for the expert judgment of planning officers.
- 3.5 Individually and collectively, the August Letters raise no new or changed material planning considerations that could have led MCC Members to make a different decision or to have changed

¹⁶ Smith v East Elloe Rural District Council [1956] AC 736 and O'Reilly v Mackman [1983] 2 AC 237 which the High Court determined in R oao Archway Sheet Metal v. SoS, Haringey LBC and Tottenham Hotspur Ltd [2015] EWHC 794 applied to all administrative acts including internal resolutions of local authorities (at paragraph 48 of the judgment)

the outcome of the Applications or to have changed the recommendation of MCC Officers or the terms of the August 2024 Resolutions.

- 3.6 Accordingly, and as such, any subsequent judicial review actions by GJSEL against the grant of planning permission for the Applications based on the contents of the August Letters would be deeply misconceived and robustly defended by RBL in its capacity as an interested party. In this regard, RBL hereby reserves the right (as necessary): (a) to provide a more detailed response to the August Letters and/or (b) to add to or vary the above response in relation to any misconceived proposed legal claim that GJSEL may bring/ threaten to bring.

Yours faithfully

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