

**Manchester City Council  
Report for Resolution**

**Report to:** The Executive - 14 March 2012  
**Subject:** City Centre Food Retail Store - Site Priorities  
**Report of:** The Chief Executive

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**Summary**

This report informs the Executive of the outcome of a consultation exercise with landowners and key stakeholders on the Manchester Retail and Regeneration Impact Study of November 2011 ; responds to the issues raised; and seeks the Executive's approval and endorsement of First Street and Central Retail Park as the priorities for convenience retail provision in the City Centre.

**Recommendations**

The Executive is recommended to:

- i) Note the comments received through the consultation process.
  - ii) Subject to the amendments proposed within the body of the report, formally endorse the Manchester Retail and Regeneration Impact Study, including the identification of First Street and Central Retail Park as the priorities for convenience retail provision in the City Centre.
  - iii) Request that the Planning and Highways Committee take the Manchester Retail and Regeneration Impact Study into consideration when determining future planning applications for this area; and
  - iv) Note that it will be for individual landowners with development proposals to address the Council's analysis in the Manchester Retail and Regeneration Impact Study when bringing forward their proposals.
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**Wards Affected:**

City Centre and adjacent wards

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The development of city centre food stores has the potential to promote significant regeneration and economic growth.

Reaching full potential in education and employment	Food stores provide an important source of accessible job opportunities, alongside the more varied employment created in associated developments.
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	The provision of accessible food stores is important to promote the city centre as a sustainable residential neighbourhood, in terms of quality of life and environmental performance.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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#### **Financial Consequences – Revenue**

None

#### **Financial Consequences – Capital**

None

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#### **Background documents (available for public inspection):**

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Manchester Core Strategy (Publication)
- Manchester City Centre Strategic Plan
- Manchester Quantitative Retail Study Update 2010

- Manchester Retail and Regeneration Impact Study – November 2011
- Letter dated 27<sup>th</sup> January 2012 Realty Estates
- Letter dated 3<sup>rd</sup> February 2011 DPP LLP
- Letter dated 3<sup>rd</sup> February 2012 Ask Property Developments Ltd re First Street
- Letter dated 3<sup>rd</sup> February 2012 Ask Property Developments Ltd re Boddingtons
- Letter dated 3<sup>rd</sup> February 2012 Salford City Council
- Letter dated 15<sup>th</sup> February 2012 NJL Consulting

All held in Room 318, Town Hall

## **1. Introduction**

- 1.1 In February 2011, the Executive endorsed a report regarding the provision of convenience retail provision in the city centre in the context of expected population growth and the need to meet food shopping requirements as locally as possible. The report explained the real opportunities that the provision of convenience stores in the City Centre could present in assisting the delivery of broader associated regeneration outputs. The Executive agreed the report which outlined the need to use food stores as a strategic asset to maximise the economic benefits to the City. The Executive approved development principles which set out considerations which could be taken into account when PPS4 compliant proposals for new food store provision are considered.
- 1.2 The Council appointed independent consultants to update a 2009 Regeneration Impacts Study and to consider the extent to which new city centre food store development could support the Community Strategy and Strategic Regeneration Frameworks, contribute to regeneration of the wider area and the deliverability of each site considered. Nine sites were considered within the assessment on the basis of the scale of site required for a development of this nature and known owner / developer interest. A report in November 2011 presented the conclusions of the study, and the Executive resolved to:
- Endorse in principle the findings of the Manchester Retail and Regeneration Impact Study of November 2011 which identifies Central Retail Park and First Street as priority locations for food retail store developments in the city centre; and
  - Request officers undertake consultation on the findings of the report with land owners (including those in Salford), city centre stakeholders and Salford City Council and report back to the Executive on the outcome.

## **2 The Consultation Process**

- 2.1 The consultation process took place over December 2011 and January 2012. Six letters of representation were received and these are summarised below. These are further set out in summary form within Appendix 1, along with the City Council response and any detailed changes that are required to the Study.
- 2.2 Ask Property Developments sent two representations which support the conclusions of the study that identified First Street as one of the two strongest performing candidate sites. They agree that First Street would deliver the largest potential impact in terms of job creation and, alongside Central Retail Park, would have the greatest regeneration potential. As owners of a 50% share in the joint venture company that owns the Boddingtons site, they agree that the Boddingtons site does not represent the best option for development of a food store and note the Council's Development framework for the Boddingtons site which includes provides that retail and residential uses on

the site will not be acceptable". They acknowledge the robustness of the retail impact analysis undertaken by the consultants.

- 2.3 Realty Estates has acknowledged that it has an interest in two of the identified sites namely the BBC and Boddingtons. They explain that they have significant concerns with the study although they do not provide any evidence or information to substantiate this. They offer to provide further information on their aspirations for the sites on request. They also have concerns that the study does not appear to have had the benefit of a detailed review of some of the scheme proposals particularly in terms of deliverability.
- 2.4 Salford City Council has expressed concern in relation to how the two sites in Salford have been described. They suggest that it should be acknowledged that the site at Regent Road is within a designated neighbourhood centre in the Salford Unitary Development Plan (UDP). Similarly, Springfield Lane should be noted as a brownfield site that was previously used for industrial purposes; and they point out that any vegetation on the site is as a result of it being vacant for some time, and, therefore, it should not be cited as 'recreational land'. They explain that a planning application for a retail development is imminent on the Springfield Lane site from Urban Splash / Si Si Developments, and state that it will be considered by Salford as a local planning authority taking into account planning policy and other material considerations
- 2.5 NJL Consulting is providing advice on the Springfield Lane site. They state that the Manchester Retail and Regeneration Impact Study of November 2011 has been undertaken on a relative rather than an absolute basis. NKL set out the benefits associated with the 'significant' number of new jobs and residential development on the Springfield Lane site. They do not believe that there is a conflict between the proposals advocated by their clients and the preferred major food store proposals advocated by the Council and go on to suggest that the scale of the proposal on the Springfield Lane site is not driven by a wider catchment requirement, and has been revised to meet a more localised retail need. This response also points out that the site is a brownfield site rather than recreational land. NJL do not question the validity of the Manchester or Salford Retail studies but rather recognise that they do not cover the appropriate catchment area for the site. A number of specific alterations to the Manchester Retail and Regeneration Impact Study of November 2011 are proposed which reflect that the site is not recreational and is brownfield.
- 2.6 DPP is concerned that the study fails to establish why two stores of 6,000sqm net sales should be necessary to address qualitative deficiencies that exist or where need is most keenly felt on a geographical basis. They consider that the new provision in a large format form could suppress the development potential across the Regional Capital below that established by the Retail Study Update, undertaken by Alyn Nicholl in 2010. They further claim that it could fail to reflect what can actually be delivered on a site-by-site basis. They state that there is no evidence that the authors have consulted with all of the landowners to establish their demise, timescales or nature of emerging proposals.

### **3 Response to issues raised**

- 3.1 Officers have now considered all of the responses received.
- 3.2 A letter has been sent to Realty Estates inviting them to communicate any further information to inform the Executive. To date, nothing further has been received.
- 3.3 It is suggested that amendments are made to the study in relation to the comments made by Salford City Council about the descriptions of the Springfield Lane and Regent Road sites. Although the Springfield Lane site has not been described as a greenfield site at any point within the study, for the sake of absolute clarity, the report should be amended to make it clear that it is a brownfield site. Similarly, the current references to the site being 'recreational land' within the study should be amended to reflect the fact that residents use the site informally as recreational land. The study should also remove any reference to the deliverability of the site being affected by its current informal recreational use. These changes have been considered by the independent advisers who have concluded that they would have no effect on the conclusions or outcomes of the study.
- 3.4 The study should be amended to reflect that within the Salford UDP, the Regent Road site is a designated neighbourhood centre. This amendment has also been considered and found to have no material impact on the conclusions drawn in the study.
- 3.5 It is accepted that the Springfield Lane site sits on the edge of the Manchester / Salford catchment as set out by NJL. No evidence has been produced to support the contention that a scheme at Springfield Lane would not have significant impact on trading within Manchester City Centre. This is a matter which will be assessed in detail when the planning application for the site is submitted. It should be noted that the mix of uses proposed at Springfield Lane now includes a smaller retail store than has been tested in the Study, along with 37 residential units, and the study should be updated to reflect this. This reduction in the size of the store would of course reduce the number of jobs that would be created on this site.
- 3.6 NJL also raised similar issues to Salford City Council about Springfield Lane being a 'brownfield' site and about deliverability issues. These changes are accepted and have no material consequences for the conclusions of the study.
- 3.7 DPP have not provided any information about who they are representing or advising or which sites they have questions about, except to say that they act on behalf of several developers and retailers who have interests in taking forward food retail opportunities in and around the city centre. The scale of the new stores in the study at around 3,000sqm (net) each was based on the conclusions of the Retail Study Update 2010, which identified a clear deficiency in foodstore provision in the city centre and the scope and need to increase market share through claw back. Consultants have advised that in

order to achieve this claw back it is necessary for any new foodstore provision to be of a sufficient scale and offer to be able to effectively compete with existing stores. In this manner, the new food stores within the city centre could have an influence over existing shopping patterns. The average size of the competing stores is around 2,600 sqm net and the consultants therefore consider that new food stores of around 3,000 sqm net represent a reasonable scale to achieve the desired objectives. It is also understood that known market requirements supports this view of occupiers preferring stores of around 3,000 sqm net.

- 3.8 The Manchester Quantitative Retail Study Update 2010 also identifies a need for an additional circa 25,500 sqm net of convenience floorspace over the period to 2027. The emerging Core Strategy, assumes that c.20,000 sqm net of this floorspace will be developed within district centers. The additional 5,500 sqm can be utilised to meet an identified need in the City Centre. Two stores of 3,000 sqm net would only exceed this 'guideline' by 500 sqm net. It has been assumed, for the purpose of testing impact, that the new stores would comprise 3,000 sqm net convenience and at a conservative estimate around 3,000 sqm net comparison floorspace - i.e. 6,000 sqm net retail floorspace. The comparison floorspace is not linked to 'need' but more to operational requirements.
- 3.9 A summary of the policy provisions that relate to the development of food retail is attached to this report at Appendix 2.

#### **4. Conclusions**

- 4.1 No fundamental concerns have been raised in response to the consultation process. There are a number of areas where the study needs to be amended/ updated to reflect current circumstances. However, none of the responses materially affect the conclusions and outcomes of the study, and the priorities for foodstore development still remain First Street and Central Retail Park, on the basis that they will create the most significant regeneration benefits.
- 4.2 Once endorsed, it will be for individual landowners with development proposals to address the Council's analysis in the Manchester Retail and Regeneration Impact Study when bringing forward their proposals.
- 4.3 On this basis, it is recommended that the study is formally endorsed, subject to the amendments proposed in this report, and that it becomes a material consideration when planning applications are considered for convenience retail developments within the city centre. Similarly, it should also be used to inform the City Council's response should it be consulted on other retail proposals within the Regional Centre.

#### **5 Contributing to the Community Strategy**

- (a) Performance of the economy of the region and sub region**

The city centre is the key driver of economic growth across the region and sub region. This policy is intended to maximise its economic function by ensuring that food store development supports the City's wider regeneration objectives and generates additional growth and jobs.

**(b) Reaching full potential in education and employment**

Food stores are a significant source of employment, offering opportunities for people with a range of skills. By creating a link between food stores and wider regeneration outputs, the recommended approach seeks to ensure that these opportunities are promoted, but in a way which also creates other employment and training opportunities.

**(c) Individual and collective self esteem – mutual respect**

**(d) Neighbourhoods of Choice**

Alongside its primary economic role, the city centre has grown its resident population significantly over recent years. While there are a wide range of services available to city centre residents, it is clear that food shopping facilities do not meet all residents' needs, evinced by the numbers of residents using food stores out with the centre's boundary. The proposed policy seeks to ensure that these residents have better access to food retail, in an integrated and high quality environment, and without the need to resort to car borne trips.

**5. Key Polices and Considerations**

**(a) Equal Opportunities**

**(b) Risk Management**

**(c) Legal Considerations**

The Manchester Retail and Regeneration Impact Study of November 2011 is relevant to development control, and therefore may be taken into account as a material consideration in decisions on planning applications.

Recommendations appear at the front of the report.



## APPENDIX 1

### **Representation Received**

#### (i) Ask Property Developments

- Supports conclusions of the study
- Concurs with conclusions of the study which identified First Street as one of the two strongest performing candidate sites
- Concurs with conclusion that First Street will deliver the largest potential impact of all sites assessed in job creation terms and, in conjunction with Central Retail Park, has the greatest regeneration potential
- Acknowledges the robustness of the retail impact analysis undertaken by GVA

### **Issues raised**

None

### **Response / Proposed Change**

No response required

## **Representation Received**

### (ii) Realty Estates

- Stated interest in two sites: BBC and Boddingtons
- Identifies significant concerns with the study, which they can provide further on request
- Concerns that the study does not appear to have had the benefit of detailed review of some of the scheme proposals – particularly around deliverability

### **Issues raised**

Letter sent to Realty Estates by MCC to request the information referenced in the representation

### **Response / Proposed Change**

No further information received so no change proposed.

## **Representation Received**

### Salford City Council

- Concerns regarding descriptions of sites in Salford
- Regent Road should be noted to be a designated neighbourhood centre in the Salford UDP
- Springfield Lane should be noted to be brownfield (previously used for industrial purposes), any vegetation on the site is as a result of it being vacant and should not be cited as 'recreational land'
- Planning application imminent on the site from Urban Splash / Si Si Developments, MCC to be given opportunity as part of this process to consider implications of proposals for retail development on the sites identified in the study within the Manchester boundary as and when they come forward as planning applications

### **Issues raised**

- Suggested amendments to be made relating to Springfield Lane and Regent Road descriptions.
- Implication of Springfield Lane amend including:
  - Altered view on policy alignment e.g. environmental considerations (recognising this is not formal recreation land)
  - Amendment to deliverability regarding current recreational use assumed on the site

### **Response / Proposed Change**

- Suggested amendments Springfield Lane:
- Amend to make clear that it is a brownfield site. Current references to recreational land amended to reflect the fact that the site is used informally by residents as recreational land.
- Reference to the deliverability of the site being affected by its current informal recreational use to be removed. Reference to be added within this section of the report to reflect the imminent planning application anticipated by Salford City Council on the site. This change within the report will include amendment to references of deliverability in terms of 'Land Assembly' within Test 5, and 'Timing' within Test 5. The conclusion of Test 5 to be amended to reflect the improved delivery outlook for the site. Even with this amendment to the conclusion of Test 5 the Springfield Lane site does not warrant more detailed analysis within the study (as for First Street and Central Retail Park) given the poor performance of the site against the assessment in Test 3.
- Regent Road. Report to be amended at Paragraph 4.143 to reflect the status of Regent Road within the Salford Unitary Development Plan as a designated neighbourhood centre, making it a sequentially preferable location within Salford (i.e. compared to the Springfield Lane site within this assessment).
- These amendment have no material impact on the conclusions drawn in the study.

## **Representation Received**

### **NJL Consulting**

- Interest in the Springfield Lane site
- Notes that the study has been undertaken on a relative rather than absolute basis
- Identifies benefit associated with significant number of new jobs and residential development on the Springfield Lane site is a benefit in its own right
- Identifies no conflict between the proposals advocated by their clients and the preferred major food store proposals advocated by MCC
- Suggests that scale of proposals on the site are not driven by wider catchment requirements and have been revised to meet more localised retail need
- Notes the previously identified point regarding identifying the site as a brownfield site rather than recreational land
- Does not question the validity of the Mcr or Salford Retail studies but rather recognises that they do not cover the appropriate catchment area for the site

### **Issues raised**

- As above re: amends required to Springfield Lane description (to reflect brownfield status)
- Recognition that site sits on edge of Manchester / Salford catchment
- As the site was not identified to be one of the preferred sites in regeneration terms detailed (cumulative) retail impact work was not undertaken on the site, as a result the NJL work is more detailed regarding potential impact of a store on the site
- The mix of uses includes a smaller retail unit size and 37 residential units
- Do not dispute the point that the location of the site means that it sits between the Mcr and Salford catchments
- Consider that would not have significant impact on trading within Manchester City Centre area although not tested in detail

### **Response / Proposed Change**

- Test 4, paragraph 4.122 – 4.129 to be amended to reflect the detail on store size provided by NJL Consulting for the Springfield Lane site including amended job creation associated with development of a 2,300sqm foodstore compared to the 7,820sqm assessed within the study. The job creation potential of a store of this size will be calculated and referenced in the report. The conclusions of this test will reflect this reduced job creation potential on the site comparative to the other sites considered.
- New mix unlikely to change regeneration impacts 'scoring'.
- As referenced against the previous representation (Salford City Council) the report will be amended to reflect the short term deliverability of the site, although with no impact on the overall conclusions of the study on the basis of the sites performance against the other tests.

## Representation Received

### DPP Planning

- States concern that the study fails to establish why stores of 6,000sqm net sales (x2) would be necessary to address qualitative deficiencies that exist or where need is most keenly felt on a geographical basis
- Concerns that the new provision in a large format suppresses the development potential across the Regional Capital below that established by the Alyn Nichols 2010 Study Update, and could fail to reflect what can actually be delivered on a site-by-site basis
- No evidence that the authors have consulted with all of the landowners to establish their demise, timescales or nature of emerging proposals

### Issues raised

- Unclear as to who DPP are advising
- the 3,000sqm (net) convenience floorspace assumption:

was borne out of the conclusions of the Retail Study Update which recognised a clear deficiency in foodstore provision in the city centre and scope to increase market share through claw back. In reality, in order to achieve claw back it is necessary for new foodstore provision to be of a sufficient scale and offer to be able to effectively compete with existing stores and have an influence over shopping patterns. On the basis that the average convenience floorspace of key competing stores is 2,600 sqm net, 3,000 sqm net is considered a reasonable scale to achieve the desired objectives. Understanding of market requirements supports this view of occupiers preferring 3,000 sqm net stores.

Furthermore, the Retail Study identifies need for c.25,480 sqm net convenience goods over the period to 2027. Through the emerging Core Strategy, c.20,000 sqm net of this is to be directed towards the district centres which, by the process of elimination, leaves c.5,500 sqm net for the City Centre. Two stores of 3,000 sqm net would only exceed this 'guideline' by 500 sqm net. This is marginal and again points to 3,000 sqm as an appropriate scale for the purposes of testing impact.

It has been assumed assumed, for the purpose of testing impact, that the new stores will comprise 3,000 sqm net convenience and 'worst case' 3,000 sqm net comparison floorspace - i.e. 6,000 sqm net retail floorspace. The comparison floorspace is not linked to 'need' but more to operational requirements.

### Response / Proposed Change

No proposed changes to the report on the basis of representation received. No additional information provided within the representation relating to the nine sites specifically that materially changes the conclusions drawn.