

New Cross

Neighbourhood Development Framework

Volume 2: Context Appendices, July 2015

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1 Economic and Market Context

Introduction

- 1.1 This Neighbourhood Development Framework has been prepared to ensure that the opportunity presented by the site's locational attributes and growth potential is maximised to deliver a range of strategic policy priorities for Manchester City Centre and the City Region as a whole.
- 1.2 This section describes key aspects of the economic and market context today, which demonstrate that the future investment in, and regeneration of, the Study Area is deliverable and can successfully contribute towards these important strategic priorities.

Key Drivers

- 1.3 Manchester is a national engine of economic growth with a population of nearly 515,000¹, sitting at the heart of a conurbation of 3 million people in the north of England. The City's economic success has historically been driven by its growing role as the leading professional and business service centre outside of London, global connectivity through Manchester International Airport, along with business and leisure visitors, with Manchester the third most visited city in the UK.
- 1.4 More recently, the City, recognising the dynamics of global market changes, has invested heavily in new sectors of growth – advanced manufacturing, biotechnology and life sciences. Working closely with The University of Manchester, it has created new opportunities for sustained

future growth, including the development of a global network of alliances and partnerships throughout the world.

- 1.5 Creative and Digital also continues to be a key sector; Greater Manchester has the UK's largest cultural & creative cluster outside London, employing 62,000 people and generating GVA of £3 billion each year². Key assets include MediaCityUK, at Salford Quays in the Regional Centre (home of the BBC and ITV) and The Sharp Project, located at Central Park off Oldham Road to the north east of the Study Area.
- 1.6 The March 2015 update to the New Economy Greater Manchester Key Facts highlights the key sectors of the Greater Manchester economy and their contribution towards the annual Greater Manchester GVA of £54.7 billion:

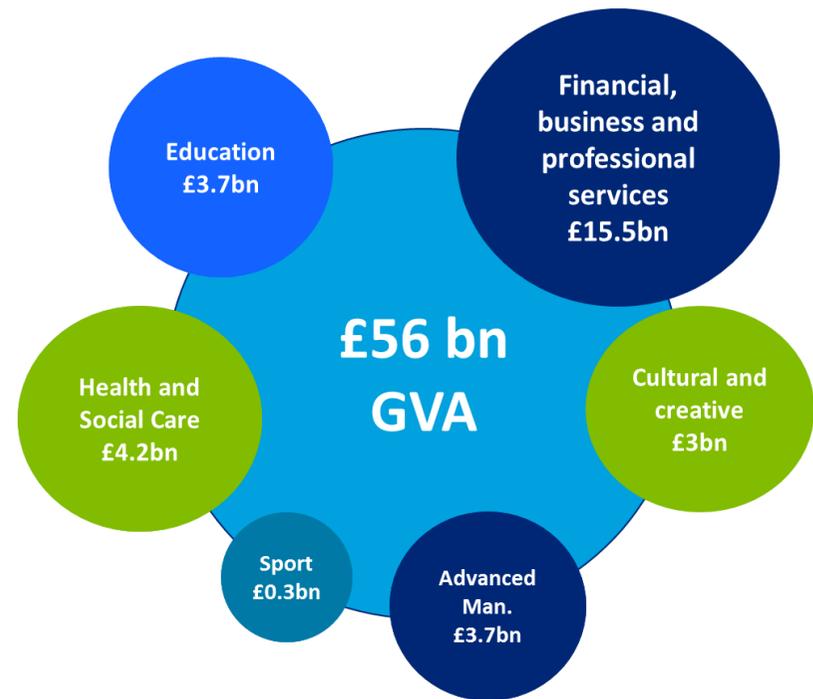


Figure 2.1: Greater Manchester Economic Outputs (Source: GM Key Facts, March 2015)

¹ Manchester Population is 514,400, Source: Greater Manchester Key Facts, March 2015 – ONS, Census 2011.

² Source: Greater Manchester Key Facts, July 2014.

- 1.7 The latest release of the Greater Manchester Forecasting Model (GMFM), prepared by Oxford Economics, was presented during November 2014. It confirmed that Greater Manchester is a vital component of the UK Economy: it is home to a population of 2.7 million people, provides 1.4 million jobs and makes an annual contribution of £54.7 billion GVA – a figure revised up to £56 billion GVA, as per the March 2015 New Economy update.
- 1.8 Manchester itself continues to account for a significant proportion of Greater Manchester jobs and GVA, with 27.7% (up from 26.6% in 2013) and 29.3% (up from 28.7% in 2013) respectively. Business and public services continue to dominate the Greater Manchester labour market, representing 26% and 25% of employment respectively.³

Regional Economy

- 1.9 Manchester's GVA is forecast to grow by 3.1% per annum between 2014 and 2024, rising to £67 billion⁴; 43,000 additional jobs are forecast by 2024, representing a much higher rate of growth than elsewhere in the UK, with potential for significant additional job creation; for example, if the HS2 Piccadilly development can be accelerated.
- 1.10 The key growth sectors are expected to be in the private sector, comprising ICT, professional services, administration, accommodation and food, and arts employment (providing 44,000 new jobs in Manchester and Salford – Figure 2.2).⁵

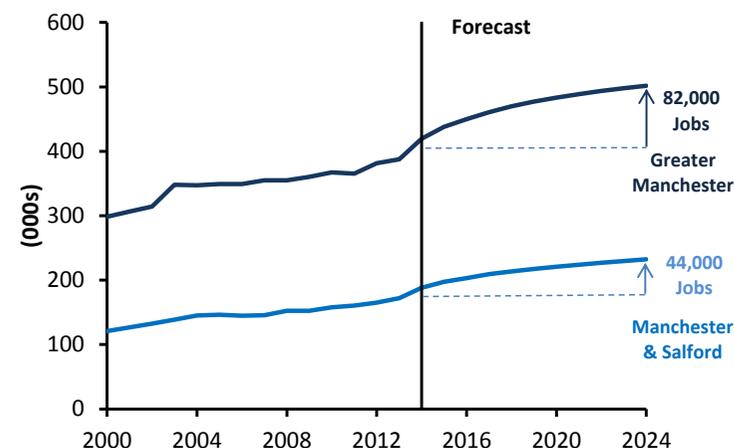


Figure 2.2: Key Business Services: ICT, Professional Services, Administration, Accommodation & Food and Arts Employment, Source: Oxford Economics

Population Growth

- 1.11 Reflecting this phase of economic growth, Manchester's population growth increased by nearly 18% (+77,700) between 2003 and 2013⁶, which is more than double the UK average over the same period. This is a higher level than Greater London (14%) and Inner / Central London (17%) and reflects Manchester's transformation over the last 20 years into a vibrant European City. Indeed, Manchester is recognised as the fastest-growing metropolitan authority in England. This reflects the fact that Manchester is seen as a desirable place to live and that it is creating the economic opportunities to attract and retain people.
- 1.12 As noted in the New Economy Greater Manchester Growing Population Briefing Note, in spatial terms, strong population growth in the core indicates the success of City Centre regeneration initiatives and suggests that outlying edge areas have significant, untapped potential to host additional population growth through the adoption of policies that differentiate the offer of these locations from the urban core.⁷

³ Source: Annual Population Survey, Oxford Economics

⁴ Source: New Economy, Manchester Key Facts, July 2014

⁵ Source: Oxford Economics, Greater Manchester Forecasting Model, November 2014

⁶ Source: ONS, Census 2011

⁷ Source: New Economy, Briefing 24: Greater Manchester's Growing Population – Census 2011, September 2012

1.13 In terms of the age profile of this rapidly increasing population, it can be seen that Greater Manchester has a younger age profile than is found nationally – this is most notable in Manchester where more than 50% of the population is under 30⁸, with the average age of Greater Manchester residents at just under 38. In Manchester, 26% of residents are under the age of 20.

1.14 The largest increases in population are being witnessed in the age bands considered vital to economic growth - i.e. those at University-leaving age and above. Across Greater Manchester, the largest age band growth identified in the 2011 Census was in the 20-24 age band, which increased by 41,400 (25%). The 25-29 age band also witnessed a significant increase of just fewer than 30,000. This sector of the population creates demand for new lifestyle choices that offer access to City Centre employment, amenities and transport networks, alongside well-managed accommodation built for that purpose.

1.15 Since 2001, Greater Manchester experienced a larger household growth than that across England and Wales, as well as the North West (both at 7.5%), with an extra 86,000 households, equating to an increase of 8%. Of the ten Greater Manchester authorities, Manchester recorded by far the highest rate of household growth with a 22% increase (37,500 extra households).⁹ Whilst population forecasts vary, the latest GMFM projects a population increase in Manchester of 39,000 by 2024. This, together with well documented trends and changes in household formation, will fuel an increase in demand for accommodation. An additional 60,000 new homes to 2027 (more than 3,000 per annum) are expected to be required and need to be planned for (as established in the adopted Manchester Core Strategy Policy H1 Overall Housing Provision).

Residential Growth

1.16 The most recent Integrated Greater Manchester Assessment of Planning and Housing Evidence Base (IGMA Planning and Housing) published by

New Economy in May 2014 identified that there are just over 1 million households across Greater Manchester and that of these households, 60% are owner-occupiers, 0.5% are shared owners, 22% are social-rented households and 16% are private renters.

1.17 Between the 2001 and 2011 Census there was a 62.6% increase in private-rented accommodation within Greater Manchester and this pattern is expected to continue. Growth was particularly pronounced in Manchester, with an 85% increase from 31,424 private-rented households in 2001 to 58,170 in 2011¹⁰ - reflecting a number of factors, including a significant increase in population and household numbers, a reduction in owner-occupied tenure and more use of the private-rented sector for those on lower incomes.

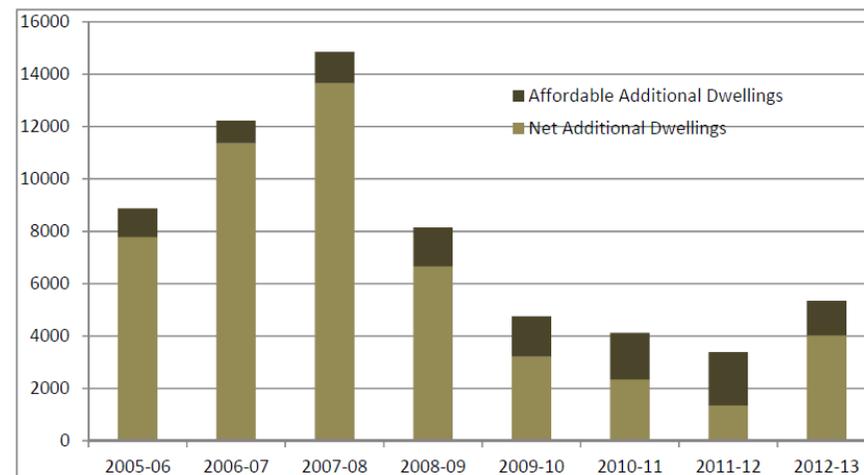


Figure 2.3: Net Housing Completions 2005/6 to 2012/13, Source: DCLG

1.18 In terms of new residential development, IGMA Planning and Housing notes that increasing Greater Manchester housing supply is critical to meeting the demands of the growing workforce and population. It identifies that currently Greater Manchester is not delivering enough homes annually to meet either population or household growth projections;

⁸ Source: New Economy, Census 2011 – First Release: Age Band Analysis

⁹ Source: New Economy, Census 2011 – First Release: Household estimates

¹⁰ Source: Census 2011

completion rates fell consistently from 2008-12 and reached a low of just under 3,400 in 2011-12 (Figure 2.3).

- 1.19 Constraints on development and mortgage finance, along with the availability of public funding to support housing development, significantly slowed the pace of new housing delivery and the growth of the wider housing market following the peak of 2007/8. The number of new homes being delivered in Manchester City Centre has reduced from over 5,000 in 2007/8 to fewer than 1,000 in 2011/12.
- 1.20 However, there was a significant rise during 2012/13, to 1,756 completed units in the City Centre and fringe areas. These included a number of previously stalled schemes, eight in total with six of those assisted by the Government's Get Britain Building initiative, together with 525 bespoke student residential units (with student residential counting towards the completion target for the first time).¹¹
- 1.21 Manchester City Council's 2013 Annual Monitoring Report (AMR 2013) identifies that completions for 2012/13 remain significantly lower than the Core Strategy target and that there is now an average annual requirement of 3,959 residential units per annum over the remaining period of the plan (2014-2027).
- 1.22 As a consequence of reduced delivery and completion rates over recent years, occupancy rates are at high levels fuelled increasingly by the private rented sector (availability rates in the City Centre have been quoted recently at just 5%¹²) and there is a significant level of pent up demand for new housing, which will further fuel accelerated levels of housing delivery over the coming years. There is a significant mismatch at present between supply and demand of suitable accommodation to meet the needs of a growing population and workforce.
- 1.23 The economic downturn also had a significant effect on average house prices; following a peak in house prices towards the end of 2007, house prices in Greater Manchester are showing some signs of rising, but are still

some way off their peak. The latest statistics from the Land Registry show that house prices are increasing and that there has been some movement in the market: Manchester experienced a 14% increase in house sales in 2013 compared to 2012 and similarly 2.3% increase in average price¹³.

- 1.24 This partially reflects a stronger position in terms of mortgage finance; with first-time buyers driving the market forward in 2013 as improved economic conditions and the introduction of Government schemes such as Help to Buy have provided opportunities to enter the home-ownership market.
- 1.25 Whilst population forecasts vary, the latest GMFM projects a population increase in Manchester of 39,000 by 2024. This, together with well documented trends and changes in household formation, will fuel an increase in demand for accommodation. An additional 60,000 new homes to 2027 (more than 3,000 per annum) are expected to be required and need to be planned for (as established in the adopted Manchester Core Strategy Policy H1 Overall Housing Provision).
- 1.26 It should also be noted that the latest AMR 2013 recalculates the annual completion target to take into account completions since the commencement of the plan in 2012, which results in a slightly higher average of 3,959 residential units per annum to 2027.
- 1.27 Manchester has clearly already demonstrated its ability to successfully accommodate and absorb a significant number of new residential units within a relatively short period of time to respond to economic growth. With few new starts in the last 5 years, occupancy rates are now very high in the City Centre. It is essential that the City maximises the new opportunities for growth and investment to avoid being left behind
- 1.28 Recent market intelligence has indicated that the City Centre and fringe areas will continue to expand northwards and eastwards and:

¹¹ Source: Manchester City Council, Annual Monitoring Report 2013

¹² Source: Manchester Crane Survey 2014, Deloitte Real Estate

¹³ Source: HM Land Registry Aggregated Price Paid Postcode data: sales figures from website

- There will be a further dramatic increase in 20-39 year old workers, who supported much of the City's housing growth in the most recent growth cycle.
- The 43,000 additional jobs forecast by 2024 will provide another surge in the growth of the City's economy.
- The increase in higher paid business and professional services employment, which supported the growth of the young professional group in the City, will be sustained over the next ten years.

1.29 Market demand for new housing to meet the specific needs of a growing population and changing demographics, means that there is a requirement for a mixed portfolio of both owner occupier and rented housing.

Economic Growth

1.30 The national economy has now begun a new growth cycle. While Manchester, because of its diversified and expanding business base, has been relatively resilient over these last few years during the economic recession, the City is at the beginning of another surge of economic and population growth. The GMFM provides a summary outlook for Greater Manchester between 2014 and 2024 of growth in the order of:

- 128,000 more people.
- 110,000 net new jobs.
- £17 billion more GVA.

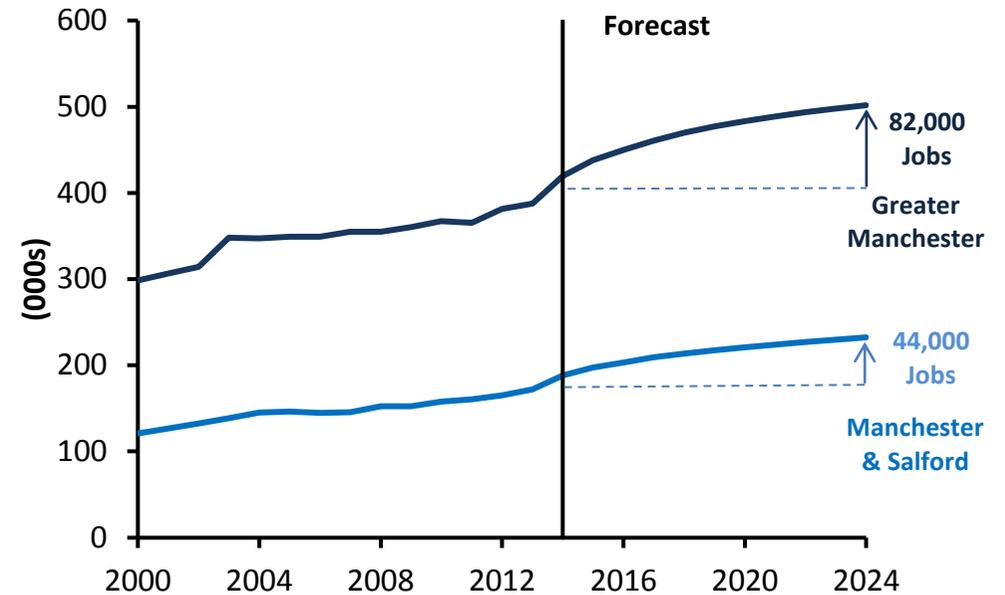


Figure 2.4: Key Business Services: ICT, Professional Services, Administration, Accommodation & Food and Arts Employment, Source: Oxford Economics

- 1.31 The Regional Centre is expected to experience GVA growth greater than 3%, which compares favourably to the North West average of 2.53% and the UK average of 2.78%.
- 1.32 Manchester's GVA is forecast to grow by 3.1% per annum between 2014 and 2024, rising to £67 billion¹⁴; 43,000 additional jobs are forecast by 2024, representing a much higher rate of growth than elsewhere in the UK.
- 1.33 The key growth sectors are expected to be in the private sector, comprising ICT, professional services, administration, accommodation and food, and arts employment (providing 44,000 new jobs in Manchester and Salford – Figure 2.4).¹⁵

¹⁴ Source: *New Economy, Manchester Key Facts, July 2014*

¹⁵ Source: *Oxford Economics, Greater Manchester Forecasting Model, November 2014*

1.34 The top 10 employment growth sectors (in absolute terms) in Greater Manchester to 2023 are expected to be:

- Professional, scientific and technical activities.
- Administrative and support services.
- Wholesale and retail trade.
- Construction.
- Accommodation and food service activities.
- Transportation and storage.
- Information and communication.
- Real estate activities.
- Arts, entertainment and recreation.
- Other service activities.

1.35 Alongside the first two sectors listed above, Arts, Entertainment and Recreation and Real Estate Activities are also expected to see a more than 20% increase in jobs on current figures¹⁶.

1.36 As noted in the most recent Integrated Greater Manchester Assessment Introductory Context: Growth and Reform Evidence Base¹⁷, this is a baseline situation where trends continue without intervention; there is potential for further significant progress in job creation, for example, if the HS2 Piccadilly development can be accelerated.

Property Market

UK Residential Market Overview

1.37 The economy's recent expansion has been stronger than expected providing an encouraging sign that recovery is underway. This upturn in economic activity, coupled with the Government's recent initiatives to

¹⁶ Source: *Integrated Greater Manchester Assessment: Economy Evidence Base, May 2014*

¹⁷ Source: *New Economy, May 2014*

assist house builders and buyers, has had a positive impact upon the housing market, contributing towards a general rise in buyer demand. The most recent figures published by the Land Registry (November 2014) show an annual increase in the average house price in England and Wales of 7.7% to £177,377. Prices in London remain significantly higher than the regions with figures for the North West showing a lower than average annual increase of 4.5% with an average price of £112,642 (Figure 2.5). The Manchester average annual increase is slightly higher at 5.1%¹⁸.

1.38 The number of property transactions has also increased over the last year: from May 2013 to August 2013 there was an average of 71,463 sales per month. In the same months during 2014, the figure was 80,596¹⁹ (Figure 2.6).

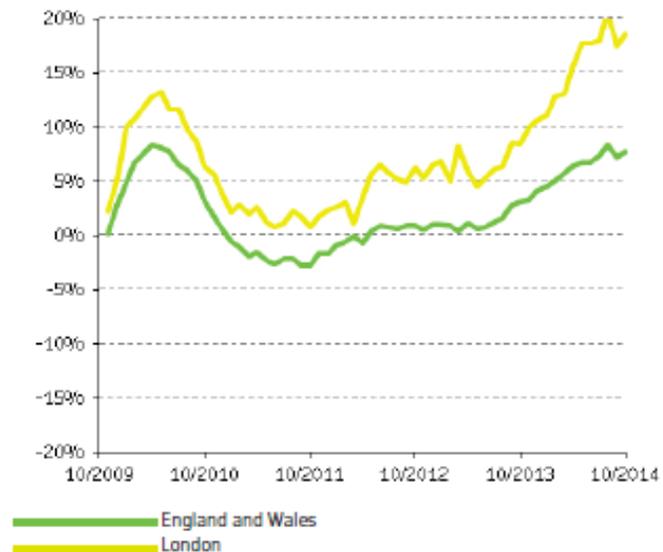


Figure 2.5: Average Annual Change in Residential Prices, Source: Land Registry 2014

¹⁸ Source: *Land Registry, House Price Index, November 2014*

¹⁹ *Ibid.*

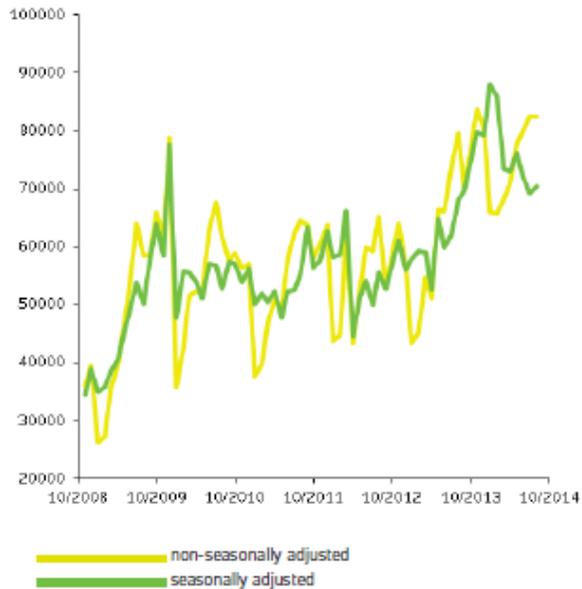


Figure 2.6: Recorded Monthly Sales England and Wales, Source: Land Registry 2014

Manchester City Centre and Edge of City Residential Market

Supply

1.39 Whilst residential development is at its highest level in five years, with 1,426 units under construction, this total is still lower than 2002-2012 annual average and significantly lower than the 2006 peak, when over 4,000 units were delivered. This would suggest that there is further scope in the development pipeline for an increase in residential development activity moving towards housing supply targets in support of the City's economic growth trajectory.

Manchester: residential development pipeline

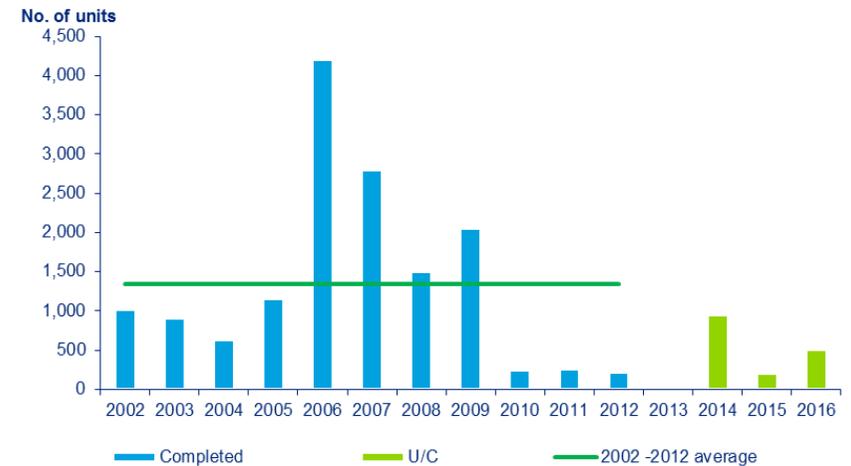


Figure 2.7: Manchester Residential Development Pipeline, Source, Deloitte Manchester Crane Survey 2014

- 1.40 Development activity in Manchester City Centre and fringe areas has been predominantly supported by the Government's Get Britain Building (GBB) and Build to Rent (BTR) funds, with privately funded, speculative development only recently starting to show signs of recovery. Stalled sites on the edge of the City in particular have benefitted from recent Government funding.
- 1.41 The edge of city market has seen remarkable change over recent years as a result of both market-led growth and regeneration initiatives. The rapid expansion in apartments has led to an increase in the number of people living and working within its boundaries and this growth has resulted a continuous and on-going expansion of the 'City Centre' market into fringe areas, for example at Green Quarter, Ancoats and New Islington, Sharp Street and Central Salford.
- 1.42 Research undertaken by Deloitte Real Estate in support of the 2014 Manchester Crane Survey provides the following insight into the Manchester and Salford supply and development pipeline (excluding student residential schemes) and funding mechanisms:

Residential Completions 2014 – two schemes:

- Nuovo, Eastern Fringe – 166 apartments – GBB.
- Islington Wharf Mews, Eastern Fringe – 29 apartments, 17 houses – GBB.

Residential Starts 2014 – five schemes:

- Extension of 88-92 Princess Street, City Centre – 35 apartments.
- Potato Wharf Phase 2, Castlefield – 102 apartments.
- Cambridge Street, Southern Arc – 282 apartments.
- ONE Greengate, Salford Fringe – 497 apartments – BTR.
- Town Hall Berkeley Square, Salford Fringe – 125 apartments.

Residential Continuing Construction 2014 – six schemes:

- One Smithfield Square, Northern Quarter – 77 apartments – GBB.
- The Point Phase 4, Eastern Fringe – 38 apartments – GBB.
- Royal Mills, Eastern Fringe – 48 apartments – GBB.
- Alto, Salford Fringe – 327 apartments.
- Vimto Gardens, Salford Fringe – 83 apartments, 14 townhouses – GBB.
- Lowry Wharf, Salford Fringe – 80 apartments.

(A number of the above schemes have since completed).

- 1.43 The above analysis demonstrates that the City Centre and fringe market is predominantly characterised by apartments. Following the high of 2006 and subsequent economic downturn in 2007 the market was starved of new City Centre apartment developments. However, in 2011 new schemes started to be developed including Eastbank (Ancoats) which comprises 30 two and three bedroom townhouses and 45 one and two bedroom apartments. The first of the townhouses were released in May 2011 and all were reserved within a couple of weeks. All bar five of the apartments were sold after the initial launch.

- 1.44 On the back of this success, a number of mothballed schemes re-commenced with the assistance of the Homes and Community Agency (HCA) and New East Manchester and have completed or will imminently, including Nuovo, Royal Mills, Islington Wharf Mews and The Point within the Ancoats and New Islington area of the north eastern fringe. Take-up for each of these schemes has been very strong.

- 1.45 In the wider City Centre market there are two live development: Potato Wharf Phase 2 (Lend Lease), which is expected to complete in Spring 2015; and, Renaker's new build scheme at Cambridge Street (282 apartments), which has commenced with enabling works.

- 1.46 In Salford, Muse Developments has started construction on Vimto Gardens, Chapel Street; an area that is undergoing significant regeneration. The scheme launched with success in July 2014.

Pipeline Supply

- 1.47 Despite the relative lack of newly started projects during 2014, the planned development pipeline is an encouraging indicator of projected future growth. Planning application activity gives an indication of potential future construction activity. Not since the peak of 2006/7 has the volume of applications for residential units been so high. In the first nine months of 2014, Planning Permission was sought for over 3,000 units in the Manchester City Centre and fringe areas.

- 1.48 Research suggests that there are currently 18 projects throughout the City Centre and fringe areas with extant Planning Permissions or live residential applications, which could come forward over the next few years.

- 1.49 Table 2.1 highlights a selection of the key schemes:

Table 2.1: Extant Planning Permissions and Live Planning Applications (as at December 2014)

Scheme	Units	Scheme	Units
Manchester		Salford	
Chester Road / Bentinck Street	162	Wilburn Street	491
Orange Grove	35		
Albion Street	172	Greengate	497
1 Water Street	301	Middlewood Locks	2,000
Brunswick Neighbourhood	444	Silivan Way	327
Dantzig Street North	344	Land at Derwent Street	64
Hulme Hall Street	44	Derwent Street / South Hall	308
Ellesmere Street	71	Salford Central	849
Tariff Street	91		
Millers Wharf	144		
Angel Gardens (NOMA)	458		
Total	2266		4,536

1.50 Further schemes in the residential pipeline include:

Manchester Life: phase one of the programme will see more than 950 homes delivered in Ancoats and New Islington, with the first two residential applications securing Planning Permission in July 2015.

1.51 The scale of projects in the planning pipeline is significant with medium to high density development and traditional apartment schemes remaining as the key focus for delivery within the City Centre and city edge.

1.52 The Private Rented Sector (PRS) market is seen as a key focus for delivery of a significant proportion of the stated 55,000 new homes that the City requires. The rental sector has already seen a boost in investment from the HCA's BTR initiative, for which Manchester was allocated funding for 2,329 of the 9,955 dwellings nationwide in the second round of funding – the highest of any city outside of London.

1.53 PRS is set to become increasingly important, reflecting the trend towards this type of tenure both in Manchester and nationally. It is a form of development that, if delivered successfully, can assist in both increasing supply as well as raising the bar in terms of building design and tenancy management.

1.54 It is clear that there is significant development interest and activity in the residential development sector, with a significant number of new schemes at the pre-planning stage, and due to be submitted as applications for Planning Permission in the short term.

1.55 Given the extensive land assets available, the existence of a number of development-ready sites in close proximity to the City Centre and key transport nodes, and the potential of positively impacting regeneration in North and East Manchester Communities, the Study Area and the wider north eastern edge of the City Centre is set to play a significant part in satisfying the identified pent up demand for new residential development.

Commercial and Business Market

1.56 Greater Manchester has a smaller proportion of small businesses (0-9 employees) as compared to the UK average: 80.3% compared to 82.7%²⁰ suggesting that there is scope to support the growth of smaller start-up businesses. In all other cases, Greater Manchester has a greater proportion: in terms of medium-sized businesses (10-49 employees), 15.6% compared to 14%; and for large businesses (50-249) 3.5% compared to 2.9%.

1.57 Greater Manchester's economic growth continues to be driven by key sectors including professional and business services, life sciences and creative and digital. There are also a significant number of retail businesses in Greater Manchester, representing 12.7% of all businesses (compared to the UK average of 10.9%).²¹

1.58 The Manchester Core Strategy provides a clear spatial framework to identify the City Centre and edge of City locations that will accommodate growth of office floor space to support these key sectors, for example the following strategic areas are identified in Policy CC1 Primary Economic Focus:

- Civic Quarter – the next phase of growth in the City Centre and a natural extension to the areas existing civic and commercial offer.
- Mayfield – previously envisioned as a Civil Service Campus, opportunities exist to establish a significant commercial-led mixed use development.
- Spinningfields – a location for high value finance and professional services offering high quality accommodation and large floorplates.
- The Corridor – characterised by the redevelopment of major institutions, including the Universities and Hospitals.

- First Street – a major employment area, including HOME, a new cinema, theatre and gallery space for Cornerhouse and The Library Theatre, which opened in 2015.
- Great Jackson Street – a major residential and employment opportunity located at the southern edge of the City Centre.
- Piccadilly – opportunities for stimulating further economic growth and regeneration arising from the proposed HS2 development and Europe-wide transport connections.
- City Centre North extending into Strangeways and Collyhurst – with existing major employers, opportunities exist for regionally significant office development with retention of B2/B8 uses.
- NOMA – redevelopment of the Co-operative Group's 20 acre estate to deliver significant mixed-use development, anchored by the Co-operative Group's new Headquarters at 1 Angel Square.
- Ancoats – an extension of the City Centre employment offer focused on small – medium sized businesses that will help to integrate neighbourhoods of East Manchester.
- Birley Fields / Manchester Science Park – new University Campus and small – medium sized business offer to complement and provide business development to larger employers on The Corridor.

1.59 Other Strategic Employment Locations include:

- Airport City, which will provide floorspace for high technology industries, logistics, office, warehousing and ancillary commercial facilities to support the business destination role of Manchester Airport.
- Central Park, which will provide a further 60 hectares of B1(b) and (c), B2, B8 and Sui Generis employment uses across a range of accommodation types, with a particular focus on creative and media and manufacturing.
- Eastlands, which will accommodate 40-45 hectares of new mixed use development and a primary location suitable for major sports and leisure facilities with complementary commercial, retail and hotels.

²⁰ Source: *New Economy, Integrated Greater Manchester Assessment: Economy Evidence Base*, May 2014

²¹ *Ibid.*

- University Hospital South, which will accommodate an expansion in key health areas, bio-science and pharmaceuticals, alongside growth of hospital services; including education and conference facilities.

1.60 Two further employment locations in close proximity to the Study Area are:

- **Northern Quarter** – home to a significant number of small – medium sized business and independent operators and a growing digital, media and technology based sector, as well as creative and cultural industries.
- **The Sharp Project** (Oldham Road) – a hub for digital and creative businesses which offers a distinctive opportunity for expansion and employment growth with affordable, flexible office space for rent to digital entrepreneurs and production companies.

1.61 In recent years the pipeline of Grade A office floorspace has reduced significantly from its peak of 600,000 sq.ft. in 2009 – it now stands at 283,000 sq.ft.(Figure 2.8). Low levels of supply and high levels of transaction activity in recent years have produced significant demand for new space.

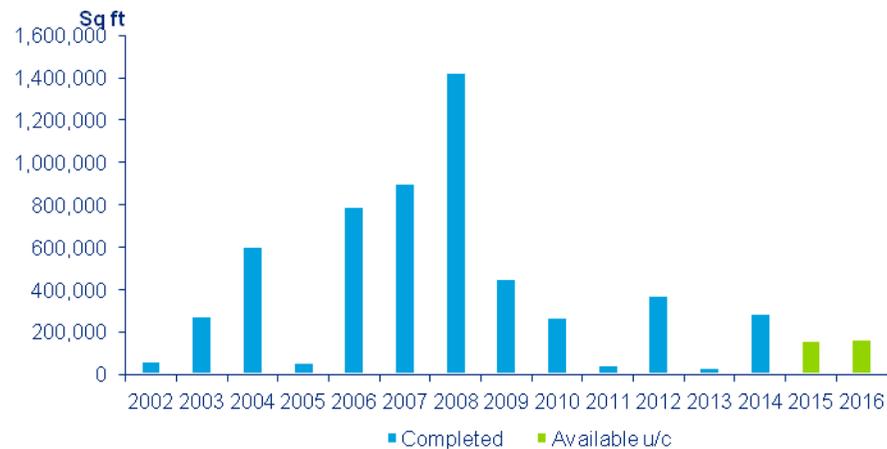


Figure 2.8: Manchester Office Development Pipeline, Source: Deloitte Real Estate

1.62 However, there is now a significant level of space within the planning pipeline, the majority of it located within the key strategic areas identified within the Manchester Core Strategy and just across the River Irwell in Salford. Planned developments could total 1 million sq.ft. of office floorspace if constructed.

1.63 The Study Area is not considered to be a major employment or office destination capable of accommodating large floorplates that would attract occupiers in the Professional, Scientific and Technical key growth sector and it is clear that the demand for this type of accommodation is being met elsewhere. However, it is home to a significant number of existing businesses that should be retained. For example, Zone B accommodates large-scale employers such as Royal Mail, Greater Manchester Police and Fire Service and the Wing Yip wholesale supermarket.

1.64 There is a particular opportunity, given the location of the Study Area between the Northern Quarter and the Sharp Project and Central Park on Oldham Road, to maximise the potential for overspill space aimed at creative and digital industries for example to meet unmet demand or to provide an alternative, affordable product offer in a priority edge of city location.

1.65 Smaller-scale office, industrial, educational and community uses can be found across the Study Area and there is scope for enhancement and new provision in this respect, which could also contribute to the provision of new start-up workspace to support new and independent businesses. There is also scope for the provision of further additional floorspace for convenience and retail uses, along with bars, cafés and restaurants, as part of a broader amenity offer to support new residential and mixed-use development.

Summary of Key Economic and Market Drivers

1.66 The above analysis highlights the key economic and market drivers for Greater Manchester and demonstrates the critical importance of the Study Area in contributing towards growth objectives, in terms of:

- Manchester is a national engine of economic growth and critical to the City region economy – it is the best placed City outside of London to increase its long term growth rate and in order to do so it needs to continue to strengthen and expand its key economic growth sectors and to attract and retain the talent required to drive this growth.
- A clear spatial framework is in place to facilitate the growth of existing and emerging growth sectors – whilst the Study Area is not considered to be a major employment or office destination, its key locational attributes mean that it is well placed to serve as an overspill location for workspace demand arising from key sectors such as creative and digital industries. It can also accommodate smaller-scale office industrial, educational and community uses.
- Whilst there has been an increase in the number of residential completions and market improvement has led to a strengthening of the supply pipeline, it is clear that there remains scope for an increase in residential development activity moving towards housing supply targets in support of the City's economic growth trajectory
- The Study Area's location on the north eastern edge of the City Centre, in close proximity to the City Centre and other regeneration priority areas, means that it is ideally positioned to play a role in addressing the urgent need to deliver new housing that meets the demands of the growing workforce and population.
- The 20-39 age group, which is vital to economic growth, continues to grow rapidly within Manchester – attracted by the strength of employment opportunities and the lifestyle offer of the City Centre and surrounding amenity.
- It is clear that there needs to be a significant increase in the delivery of new homes that are attractive to this type of occupier, in particular with a focus on high quality, well-managed apartment schemes and some lower density town housing. Tenure will also be an important consideration – whilst a proportion of occupiers will continue to seek homes to buy, there has also been a significant shift towards private-rented tenure.

Development Trends and Pressure

- 1.67 Within the above Manchester economic and market context, there is anecdotal evidence, including a high number of developer enquiries to the Local Planning Authority, suggesting that New Cross is increasingly of interest to landowners and developers in terms of its potential to accommodate new residential development.
- 1.68 There are a number of factors contributing to this interest, including the number of cleared potential development plots; its adjacency to the City Centre and the employment and leisure opportunities it offers; its adjacency to successful regeneration areas such as Ancoats and New Islington and NOMA, where significant levels of development are currently underway; and, population and household formation forecasts, as well as market activity, which indicate that there will be continued strong demand for new residential development.
- 1.69 It is therefore critical that a Neighbourhood Development Framework is put in place to facilitate a partnership approach to the regeneration of New Cross, in a way that maximises its potential to make a significant contribution towards Greater Manchester's strategic priorities and to complete the circle of regeneration on the north and eastern fringes of Manchester City Centre.

2 Strategic Planning & Regeneration Context

Introduction

- 2.1 New Cross is part of the North Manchester Strategic Regeneration Framework (SRF) area and features in the refreshed SRF, approved by Manchester City Council Executive Committee in October 2012. The SRF identifies New Cross as part of the Northern City Centre Fringe, a key strategic location for accommodating growth in the City Centre economy and driving investment northwards into Central North Manchester and the district's Northern Suburbs.
- 2.2 The Study Area previously formed part of the Collyhurst Local Plan area, within the City Fringe and Lower Rochdale Road neighbourhood. However, whilst a number of neighbourhoods located within Manchester's City Centre fringe areas have been the focus of significant regeneration activity and public sector investment over the last decade, limited strategic planning and regeneration policy guidance has been developed that addresses the area's specific opportunities and challenges.
- 2.3 This section sets out the strategic planning and regeneration policy context at City Region and local level and highlights the specific need to deliver sufficient housing to meet need and demand, and equally, the need to create residential-led mixed use development to support and enable economic growth.
- 2.4 Through the adoption of appropriate development and urban design principles for the area, New Cross has the potential to become a key part of the City's quality of life offer. This is an offer that can become a key differentiator in relation to both retaining existing talent as well as attracting

the new talent that is required to fuel the City's next wave of economic growth and enhanced productivity levels.

- 2.5 These points are reflected within established planning policy objectives, which identify the opportunity to deliver significant levels of new homes on the edge of the City Centre as a means of meeting the demand arising from a growing population, as well as providing a high quality product that is capable of retaining and attracting talent.
- 2.6 It goes on to highlight the Study Area's planning and regeneration context, with reference to key developments and emerging strategy in surrounding regeneration areas; including the Northern Quarter, Ancoats and New Islington, NOMA, Collyhurst and the Lower Irk Valley and Miles Platting, all of which make a key contribution to regeneration in the north eastern edge of the City Centre and beyond into the communities of North and East Manchester.

Strategic Planning Policy Context

Northern Powerhouse (December 2014)

- 2.7 In the 2014 Autumn Statement, the Coalition Government re-iterated a commitment made during August 2014 to help lay the foundations of a Northern Powerhouse to rival the economic strength of London. Following on from the City Deal of 2011 and the announcement in November 2014 that Greater Manchester will have a directly elected Mayor by 2017, with responsibility for a £300m housing investment fund, devolved and consolidated budgets in transport and health and social care, along with key strategic planning powers. An additional £7 billion of investment was announced to build the Northern Powerhouse.
- 2.8 Key aims for the budget will be to better connect the core cities of the North by investing £6 billion on road and rail infrastructure, including delivery of HS3, and doubling the number of northern cities to benefit from the Government's superfast broadband programme. Funding will also be targeted at the North's strengths in science, with major new science

investments; including the new Sir Henry Royce Materials Research Institute based in Manchester (with satellite centres in Leeds, Liverpool and Sheffield). A £78 million funding commitment was made to The Factory Manchester, a major new exhibition and theatre space, which will provide a permanent home for the Manchester International Festival.

Transport for the North (July 2014)

2.9 Northern Powerhouse was the Government's response to One North (now Transport for the North), a strategic proposition for transport in the North, led by the cities of Leeds, Liverpool, Manchester, Newcastle and Sheffield. One North is itself an initial response to the challenge set out by Sir David Higgins in his report HS2 Plus – for the cities to come together to develop a coherent strategic transport plan, integrating HS2 with the existing rail network and transforming connectivity between northern cities.

2.10 The guiding principles of Transport for the North include:

- Delivering higher levels of productivity and greater competitiveness through designing a programme of transformed connectivity for the North, which will help to reinvigorate the North economy and thereby grow the national economy.
- A multi-modal vision for both logistics and personal travel – steps need to be taken to improve the reliability and resilience of the road network and the capacity and connectivity of the rail network.
- Rail is the strongest growing means of travel and the network will have an increased role to play in the decades to come. Investment is required to achieve greater capacity and transformed connectivity.
- Maximising value by prioritising investment that delivers the best overall return to the taxpayer in terms of net national growth.
- A proposition that is transformational in intent; major capital expenditure is required. HS2 and the North's interconnected City Regions will together make the North a new destination of choice for mobile international businesses.

2.11 The Transport for the North proposition seeks to ensure that the North is a destination of choice for investors and a dynamic counterweight to the London and South East economy.

2.12 As the Northern Powerhouse and Transport for the North proposition demonstrate, the Government is committed to laying the foundations to build a northern economy that can rival the strength of London. Manchester will play a key role in this and it is critical that areas such as New Cross, located on the edge of the City Centre, make a full contribution in terms of providing a neighbourhood of choice that can attract and retain the talent required to fuel continued economic growth.

Stronger Together: Greater Manchester Strategy (2013)

2.13 The Greater Manchester Strategy was originally prepared in 2009 as a response to the Manchester Independent Economic Review (MIER). It identified priorities to enable the Manchester City Region to pioneer a new model for sustainable economic growth based around a more connected, talented and greener City Region.

2.14 The Association of Greater Manchester Authorities (AGMA) approved an update entitled Stronger Together: Greater Manchester Strategy 2013-2020 (GMS 2013-2020) in November 2013, which reviews and refreshes the strategic approach to growth in the Manchester City Region taking into account the current global, national and local economic challenges. Stronger Together is the sustainable community strategy for the Greater Manchester City Region.

2.15 Despite the global recession, Greater Manchester's economy has been shown to be more robust and continues to generate £48 billion GVA, some 4% of the national economy. It remains, as originally identified in MIER, the UK city outside of London most likely to be able to increase its long-term growth rate, to access international networks and enjoy strong connections to the rest of the world.

2.16 GMS 2013-2020 sets out an approach to help Greater Manchester reach its full potential and succeed in becoming a net contributor to the national economy. Greater Manchester needs to:

“...anticipate the demand for flexible working space, advanced and low carbon technology, access to research and development, science and innovation to ensure that Greater Manchester is in a position to exploit its assets and meet the demands of the global economy.”

2.17 In order to compete, Greater Manchester needs to:

“...develop a clear, spatial and sectoral understanding of occupier demand, both now and in the future, in relation to commercial, industrial and residential development. Our offer must be based on an understanding of the offer required and the creation of investment destinations that are responsive to market demand.”

2.18 The vision and objectives for New Cross have been driven by, and will clearly support and align with, the overarching programmes being promoted by the City Region via GMS 2013-2020. Delivering appropriate housing supply to meet the demands of a growing economy and population, adjacent to a major employment centre and in a well-connected location, will assist in the promotion of sustained economic growth.

2.19 Through supporting new residential-led, mixed used development in New Cross, there is the potential to create a unique, safe, sustainable, healthy neighbourhood where people are happy to live and work. There is an opportunity to provide strengthened, high quality connections between the City Centre and surrounding regeneration areas, and some of the more deprived communities of North and East Manchester.

2.20 The regeneration of New Cross has the ability to support a number of GMS 2013 key growth priorities, including:

GMS 2013 Growth Priorities	New Cross
Creating spaces and places that will nurture success	✓
Stimulating and reshaping our housing market	✓
Crafting a plan for growth and infrastructure	✓
Supporting business growth with a strong, integrated offer	✓

2.21 The GMS identified that in order to create the conditions for growth to ensure that the Manchester City Region achieves its full potential; a Greater Manchester approach to meeting future housing and employment land requirements will be developed taking into account viability, strategic fit, transport and other infrastructure implications of the demand for growth.

2.22 New Cross is ideally located to contribute towards the provision of housing to meet demands of a growing economy and population.

Manchester Residential Growth Prospectus (Draft 2014)

2.23 Recognising the critical relationship between housing and economic growth, Manchester City Council is in the process of preparing a Residential Growth Prospectus (approved in draft by the Council’s Executive Committee on 18 June 2013). The starting point is the urgent need to build more new homes for sale and rent to meet future demands from the growing population. It looks to address undersupply and in particular the development impasse, that had until recently been evident in in the City across all house types and tenures.

- 2.24 The Prospectus sets out how the Council proposes to work in order to encourage accelerated housing growth and guide the delivery of stable and attractive neighbourhoods offering quality housing that will retain and attract those people who are fundamental to creating wealth. It has been developed with the aim of providing the development industry and other key stakeholders with a clear message regarding the City's ambitions for future housing growth.
- 2.25 Six principles inform the Housing Prospectus:
- Building more new homes – with a growing population there is a need to provide high quality homes for sale and rent to meet future demand.
 - Creating pathways to home ownership – the aim to deliver more homes with mortgage products people can afford to buy, enabling them to play a bigger role in the City's economy.
 - Developing a quality private rented sector (PRS) – good quality, well managed accommodation for rent makes an important contribution to the City's housing – accounting for over half of all economically active households in the City Centre and its fringes.
 - Bringing empty homes back into use – while housing is in short supply homes cannot stay empty.
 - Ensuring that the Council's planning framework and policies provide the appropriate support for residential growth.
 - Developing a strong sense of place and high quality neighbourhoods – sustainable neighbourhoods require much more than new housing development.
- 2.26 A key aspect of the Council's supporting interventions is to ensure that the local planning framework provides the appropriate support for residential growth. Housing is a key Spatial Objectives of the adopted Core Strategy and through this the City Council aims to provide for a significant increase in high quality housing at sustainable locations and the creation of high quality neighbourhoods with a strong sense of place.

- 2.27 Within the context of the promotion of a range of financial mechanisms by Government that are aimed at increasing housing delivery, the Council is keen to attract major investors, prioritise site release and where possible help secure sites already assembled, target financial products to enable home ownership, assist marketing and deliver a pipeline of priority locations for housing development.
- 2.28 Both Ancoats and New Islington and Collyhurst and Lower Irk Valley are identified as examples of priority locations: Ancoats and New Islington as an established City-living neighbourhood with major scope for expansion at price points across the market; and, Collyhurst and Lower Irk Valley as a leading opportunity for new house-building on sites with significant critical mass, some of which are publicly owned.
- 2.29 The Study Area, an edge of City location that sits between the City Centre and Collyhurst and the Lower Irk Valley, as well as linking the adjoining areas of Ancoats and NOMA, can therefore be seen as having a critical role in providing the quality of development and environment to enable successful connections between these priority housing locations and the employment and leisure opportunities of the City Centre. In addition, the Study Area presents a significant opportunity to contribute towards the delivery of a new residential neighbourhood in its own right.

Manchester Core Strategy (2012)

- 2.30 The adopted Manchester Core Strategy sets out the City Council's Vision for Manchester to 2026, along with the planning policies that provide the framework for delivering that Vision.
- 2.31 It provides a spatial strategy for growth, which supports the key priorities as identified in the GMS 2013-2020, identifying that Manchester will be the driver of the City Region economy due to the location of key assets in Manchester City Centre and the Regional Centre.
- 2.32 Manchester will be a City with neighbourhoods where people choose to live their entire lives because they offer a wide range of quality housing and an attractive environment.

- 2.33 The Study Area falls partially within the defined Regional Centre (incorporating Zone A, to the south of Thompson Street), and immediately adjacent to the City Centre boundary of Swan Street. Zone A is not subject to any specific policy allocations, but those policies applicable to the Regional Centre will be a relevant consideration in this part of the Study Area.
- 2.34 Zones B and C fall outside of the Regional Centre; within Zone B (broadly bound by Thompson Street, Oldham Road, Livesey Street and Rochdale Road), a large part of the area (covering the extent of the existing Royal Mail complex) is allocated under Saved UDP Policy HC10c Oldham Road Goods Yard, which is designated for business and commercial development.
- 2.35 Zones B and C also fall within the North Manchester area as identified within the Core Strategy. Priorities for this area include the delivery of new residential development, as well as the retention and expansion of employment land.
- 2.36 Both Oldham Road and Rochdale Road are identified as major road and rail improvement corridors.
- 2.37 New Cross has the potential to contribute strongly to a wide range of Manchester's strategic policy objectives as summarised below:

Policy SP1 Spatial Principles: The Regional Centre will be the focus for economic and commercial development, retail, leisure and cultural activity, alongside high quality city living. Beyond these areas, the emphasis is on the creation of neighbourhoods of choice, providing high quality and diverse housing around district centres, which meet local needs, all in a distinct environment. The majority of new residential development in these neighbourhoods will be in the Inner Areas, defined by the North, East and Central Manchester Regeneration Areas. It is noted that the River Valleys, including the Irk, and the City Parks, are particularly important; access to these resources will be improved.

Policy EC2 Existing Employment Space: The City Council will seek to retain and enhance existing employment space and sites. Alternative uses will only be supported on sites allocated accordingly or where it can be demonstrated that the existing use is unviable, incompatible with adjacent uses, unsuitable having regard to the Strategic Flood Risk Assessment, or, on balance the proposals offer greater benefits in terms of vision and spatial objectives. There should be provision of a range of business space, types, sizes, quality and cost; leaving land vacant is not considered to be an efficient use of land.

Policy EC3 The Regional Centre: Employment generating uses will be promoted within the Regional Centre, taking advantage of the commercial assets of the core of the conurbation and the opportunities to provide accessible employment to Manchester residents. New housing to complement the development of mixed use employment areas will be supported.

Policy EC4 North Manchester: North Manchester is expected to provide approximately 14 hectares of employment land over the plan period. The key development opportunity is recognised as the City Centre fringe areas of Strangeways and Collyhurst, where office (Use Class B1a) led mixed use development will be promoted. The significant existing employment and economic development located in Strangeways, Collyhurst, Cheetham, Manchester Fort Retail Park and North Manchester Business Park will be retained. Development that has regard to key transport infrastructure and connecting major employment opportunities to residential neighbourhoods in North Manchester will be promoted.

Policy H1 Overall Housing Provision: Approximately 60,000 new dwellings will be provided for in Manchester between March 2009 and March 2027. New residential development should take account of the need to contribute to creating mixed communities by providing house types to meet the needs of a diverse and growing population. The design of a scheme should contribute to the character of the local area. All proposals should make provision for usable amenity space, parking of cars and bicycles and prioritise sites close to high frequency public transport routes.

Policy H3 North Manchester: Over the lifetime of the Core Strategy North Manchester will accommodate around 20% of new residential development, equating to approximately 11,840 residential units. Priority will be given to family housing and other high value, high quality development where this can be sustained. High density housing will be permitted within or adjacent to the parts of North Manchester that fall within the Regional Centre as part of mixed use schemes as well as along high frequency public transport routes.

Policy H8 Affordable Housing: Policy H8 sets out the City Council's affordable housing policy, which applies to all residential development on sites of 0.3 hectares and above or where 15 or more units are proposed. The policy states that these thresholds will be subject to amendment over the lifetime of the Core Strategy to reflect changing economic circumstances.

- New development will contribute to the City-wide target for 20% of new housing provision to be affordable. Developers are expected to use the 20% target as a starting point for calculating affordable housing provision. It is envisaged that 5% of new housing provision will be social or affordable rented and 15% will be intermediate housing, delivering affordable home ownership options.
- The proportion of affordable housing units will reflect the type and size of the development as a whole; and where appropriate provision will be made within Section 106 agreements to amend the proportion of affordable housing in light of changed economic conditions, subject to a financial viability assessment.
- Affordable housing units will be inclusively designed to reflect the character of development on the site.
- Either an exemption from providing affordable housing, or a lower proportion of affordable housing, a variation in the proportions of socially rented and intermediate housing, or a lower commuted sum, may be permitted where either a financial viability assessment is conducted and demonstrates that it is viable to deliver only a proportion of the affordable housing target of 20%; or where material

considerations indicate that intermediate or social rented housing would be inappropriate. In the latter case, such circumstances would include:

- Where there is a very high level of affordable housing and there is either a high proportion of social rented (35%), or low house prices compared to average incomes in the immediate area. Affordable housing would be prejudicial to the diversification of the existing housing mix.
- The inclusion of affordable housing would prejudice the achievement of other important planning or regeneration objectives which are included within existing Strategic Regeneration Frameworks, planning frameworks or other Council approved programmes;
- It would financially undermine significant development proposals critical to economic growth within the City;
- The financial impact of the provision of affordable housing, combined with other planning obligations would affect scheme viability;
- There is a need for additional housing provision for older people or disabled people either as affordable or market housing dependent on the results of a financial viability assessment of the scheme.

Policy C10 Leisure and the Evening Economy: new development and redevelopment that supports the evening economy and supports a balanced and socially inclusive evening / night-time economy will be permitted, subject to considerations of cumulative impact, residential amenity and balance.

Policy EN1 Design Principles and Strategic Character Areas: the Study Area forms part of the part of the Central Arc Character Area. The opportunity exists for development on a large scale using innovative urban design solutions.

Policy EN2 Tall Buildings: proposals for tall buildings will be supported where it can be demonstrated that they are of excellent design quality, are

appropriately located, contribute positively towards sustainability and place-making and will bring significant regeneration benefits. Suitable locations will include sites within and immediately adjacent to the City Centre with particular encouragement given to non-conservation areas and sites that can be easily served by public transport nodes.

Policy EN3 Heritage: the Council will encourage development that complements and takes advantage of the distinct historic and heritage features of its districts and neighbourhoods. New developments must be designed so as to support the Council in preserving or, where possible, enhancing the historic environment, the character, setting and accessibility of areas and buildings of acknowledged importance. Proposals which enable the re-use of heritage assets will be encouraged where they are considered consistent with the significance of the heritage asset.

Policy EN4 Reducing CO2 emissions by Enabling Low and Zero Carbon Development: where possible new development and retrofit projects must be located and designed in a manner that allows advantage to be taken of opportunities for low and zero carbon energy supplies.

Policy EN6 Target Framework for CO₂ reduction from low or zero carbon energy supplies: new development will be expected to make a contribution to the Council's carbon reduction requirements by meeting the targets set out in the Core Strategy as a minimum.

Policy T2 Accessible areas of opportunity and need: the pattern of development will be actively managed to ensure that new development is located to ensure good access to the City's main economic drivers, is easily accessible by walking, cycling and public transport, and provides a level of car parking that reflects the highly accessible nature of the location, as well as the realistic requirements of the users.

Area Based Planning and Development Initiatives

Manchester City Centre North and Eastern Edges

2.38 The north and eastern edge of Manchester City Centre is increasingly a focus for development activity and household growth, with two key regeneration priorities in the NOMA Masterplan and the Ancoats and New Islington neighbourhoods currently the subject of significant levels of committed investment and activity. These areas will act as a catalyst for the wider transformation of the north and eastern portions of the City Centre, which is expected to become a key location for residential-led mixed use development over the next few decades.

Manchester Place

- 2.39 Manchester Place is a strategic collaboration between Manchester City Council and the Homes and Communities Agency, which has been established to help provide a major stimulus to residential development in the City.
- 2.40 The Manchester Place partnership will create a pipeline of development-ready sites to help the City meet its ambitious new homes target as set out in the adopted Core Strategy and draft Residential Growth Prospectus. It will work with investors – such as Manchester Life – developers and stakeholders who wish to support high quality housing across the City to ensure there are sufficient opportunities.
- 2.41 Through the development of an Annual Delivery Plan (based upon the City-Wide Residential Growth Prospectus) Manchester Place will identify spatial priorities for investment from the public and private sector which can unlock residential growth. Such spatial priorities will be given the designation of Investment Action Areas (IAAs).
- 2.42 Within identified IAAs it is proposed that Manchester Place will work with landowners to prepare sites for development, assemble land where necessary, and, using the land resources and market intelligence of the

partners, produce a co-ordinated response to government initiatives encouraging house-building.

- 2.43 New Cross, along with neighbourhoods in the north eastern edge of the City Centre that include NOMA, Ancoats and New Islington and Collyhurst and the Lower Irk Valley have been identified as key Investment Actions Areas and early priorities for public and private sector investment, given their potential to contribute significantly towards the City's Residential Growth Strategy.

NOMA

- 2.44 The NOMA Masterplan builds on investment already secured for the wider City Centre North area, including the £26 million redevelopment of Victoria Station, the new Chetham's School of Music, the National Football Museum and other initiatives over the longer term; including the Metrolink Second City Crossing and Corn Exchange redevelopment.
- 2.45 The Masterplan, anchored by the £130 million investment in the Co-operative Group at 1 Angel Square, will see the phased release of its 20 acre estate - presenting the opportunity to transform a previously under-used district of the City Centre and to act as a catalyst to the delivery of around 4 million square feet of mixed use development.
- 2.46 In June 2014 the Cooperative Group announced a joint venture with Hermes Real Estate to progress the scheme, which will incorporate a mix of uses, including homes, offices, shops, leisure, cultural and tourist facilities, all linked by a series of public spaces.
- 2.47 A European Regional Development Fund (ERDF) grant of nearly £7m has been secured towards the public realm across the site, with Phase 1 at Angel Square complete and Phases 2 and 3 currently on site and due for completion by September 2015. This will see the creation of a new public square and associated retail units adjacent to New Century Hall and House as well as streetscape improvements within the Listed Estate and improvements to Angel Meadow and nearby cycle routes.

- 2.48 Planning Permission has been granted for the development of a new hotel, incorporating the Grade II Listed City Buildings on Corporation Street, and for the refurbishment of the Grade II Listed Hanover and E Block Buildings, to provide high quality office space with complementary ground floor uses, on Corporation Street and Federation Street.

- 2.49 Alterations to the Inner Ring Road have also been completed, reducing Miller Street to two lanes and introducing a one-way system that significantly improves traffic flow and connects the site with the rest of the City Centre.

- 2.50 A planning application for the development of 458 residential apartments together with amenity uses was also approved in June 2015. The scheme will incorporate a series of eight storey perimeter blocks, together with a 34 storey tower located at the prominent junction of Miller Street and Rochdale Road. The proposals have been designed to provide a defined street edge to Miller Street, Rochdale Road and Angel Street.

- 2.51 A further planning application for two new high quality office buildings with ground floor retail uses, adjacent to 1 Angel Square, is due to be submitted during Summer 2015

- 2.52 A fundamental aspect of the Masterplan is to maximise opportunities to enhance connectivity from the City Centre, through the NOMA estate, and beyond to the communities of North Manchester, with the delivery of high quality new development that incorporate new public realm and active frontages, as well as enhanced pedestrian and cycle routes.

Ancoats and New Islington

- 2.53 Ancoats and New Islington are two distinctive neighbourhoods that sit on the north eastern edge of the City Centre. Both neighbourhoods were originally developed as a result of the industrial revolution, with Ancoats being labelled as the world's first industrial suburb, containing a large number of key heritage assets and listed buildings that lead to Conservation Area status being granted in 1989. Over the past 20 years Manchester City Council has worked with a number of national and

regional Government agencies; and in partnership with private and community sectors to stabilise and reverse economic and physical decline.

- 2.54 Compulsory Purchase Orders in both the Ancoats and New Islington Neighbourhoods saw land assembled for redevelopment, with historic buildings conserved and brought back into employment and residential use, and significant investment targeted at core neighbourhood infrastructure; including a new public square at Cutting Room Square, a new waterpark and Marina linking the Rochdale and Ashton Canals, and the provision of key community facilities, including a health centre and medical practice along with a planned two form entry primary school.
- 2.55 Private sector investment and development activity slowed significantly from 2009 to 2013; however, during the last 18 months work on a number of stalled residential developments has re-commenced.
- 2.56 More significantly, in June 2014, Manchester City Council's Executive Committee approved the establishment of a joint venture company between Manchester City Council and the Abu Dhabi United Group – Manchester Life – to deliver new housing to support the Council's growth strategy. The first phase of which will see the development of circa 950 units, predominantly for market rent, on six sites within the Ancoats and New Islington neighbourhoods.
- 2.57 The Ancoats and New Islington Neighbourhood Development Framework was adopted by Manchester City Council in October 2014 in order to guide future development in this strategic housing location to ensure that it is delivered in a form that creates attractive and successful neighbourhoods where increasing numbers of people choose to live.
- 2.58 The 2014 Framework establishes a set of core development principles, which include:
- Provision of a range and mix of residential accommodation in a high quality and well-managed environment.

- Opportunities for a mix of uses should be sought to create a distinctive sense of place and neighbourhood. These should be encouraged to maximise start-up businesses and independent operators.
- New development should protect and enhance the character of the Conservation Area and build upon the unique heritage assets.
- New buildings should be designed to support active streets particularly around key public spaces and pedestrian desire lines, while contributing to a walkable, pedestrian-friendly environment.
- New development should promote a form of development to the edges of Great Ancoats Street and Oldham Street that responds to the environmental condition of these heavily trafficked routes and their function as key gateways into the City, while encouraging improved integration with City Centre and wider City Centre fringe areas.

2.59 The Framework identifies some of the key attributes of Ancoats and New Islington, which make these areas attractive development prospects and which will contribute towards the creation of distinctive urban neighbourhoods.

Manchester Life

- 2.60 As noted above, Manchester Life is newly established joint venture between Manchester City Council and the Abu Dhabi United Group, the privately owned investment company that also owns Manchester City Football Club. The partnership has been formed to build on the existing investment in sport and leisure facilities at the Etihad Campus to support delivery of the Council's Residential Growth Strategy, primarily in residential markets in the east of the City.
- 2.61 Phase One of the programme provides for the delivery of circa 950 units in the Ancoats and New Islington Neighbourhoods, predominantly for private rent, which will help strengthen Manchester's economic growth trajectory by providing much needed supply of residential units.

- 2.62 The multi-phased Manchester Life initiative foresees investment of up to £1 billion over the next 10 years; expanding the residential market on the eastern edge of the city and providing a platform for the delivery of more than 6,000 new homes.
- 2.63 Manchester Life Development Company has been established to oversee the development and following the completion and approval of Phase One development plans, construction work is expected to begin in 2015.
- 2.64 The acceleration of transformational change in Ancoats and News Islington has the potential to act as a major catalyst for the wider regeneration of the areas to the north and east of Manchester City Centre. Located directly adjacent to Ancoats, the Study Area can be seen as a prime future growth location.

Manchester City Centre Regeneration Activity

Northern Quarter

- 2.65 The Northern Quarter is located to the south and east of the Study Area and represents one of the most successful mixed communities in Manchester City Centre, with a strong residential sector complemented by independent retail and commercial offerings accommodating a mix of occupiers and a particular clustering of creative industries.
- 2.66 The non-mainstream offer that the Northern Quarter provides is important for any 'global' city and gives it a unique identity within the City, and to some extent the UK, with a growing reputation. It makes an important contribution to the City Centre economy, providing a home for a significant number of small and growing digital, media and technology based companies, as well as creative and cultural industries.
- 2.67 Manchester City Council set out a vision for the Northern Quarter in 2003 with the overall objective of retaining and developing the Northern Quarter's distinctive image and blending its current mix of occupiers with complimentary new uses, increasing footfall and promoting it as a key part of the City Centre.
- 2.68 Significant progress has been made against these strategic objectives, with key achievements including:
- The continued success and popularity of Manchester Craft and Design Centre and Affleck's Palace.
 - Completion of Swan Square, providing competitive, flexible workspace for small new start businesses
 - Delivery of the final phases of the Smithfield Development, with the recent completion of 77 new apartments and an initial "shell" refurbishment of the Grade II Listed Mackie Mayor (Smithfield Market Hall) building.
 - The provision of new public space at Smithfield Square, improving connectivity and permeability through from the City Centre to the north eastern edge of the City.
 - Additional greening through community outdoor space around the Church Street car park (Cityco Garden City project) and in Stevenson Square.
 - Completion of the Hive Phase 1 on Lever Street, which is now home to the North West Arts Council and a number of other local businesses.
 - Regular art displays and creative events in public spaces and business premises.
- 2.69 Due to its nature, regeneration within the Northern Quarter area is organic and incremental and therefore more subtle and ultimately less predictable than in other parts of the City Centre. The priority will be to continue to build on the Northern Quarter's strengths, and the opportunities these create in order to maximise the contribution it can make to the City Centre's offer and economy.
- 2.70 The on-going development of the Northern Quarter will provide opportunities to enhance permeability into the Study Area, creating more legible connections across the Swan Street interface. It will also enable the continued promotion of the independent retail and commercial offer

and opportunities for overspill into the Study Area to strengthen its role as a residential-led mixed use neighbourhood.

Public Transport Investment

- 2.71 The exceptional public transport connections of the Study Area are described in more detail in Section 2 (Vol.1) of this document; this section provides an overview of the significant investment programmes that are currently underway in respect of all modes of public transport serving Manchester City Centre.
- 2.72 These programmes will not only result in additional capacity, extended coverage and improved service across all modes, but will play a fundamental role in supporting the continued, sustainable economic growth of the Manchester City Region.

HS2 and the Northern Hub

- 2.73 The Northern Hub is a programme of improvements for rail services, which are forecast to provide £4 billion of benefit to the wider Northern economy and in practical terms reduce journey times between Leeds and Manchester by 10 minutes and allow for six trains per hour between the two cities rather than four. It will also allow for faster trains to Sheffield, Newcastle and the East Midlands from Manchester. A range of improvements will be delivered benefitting the Victoria Rail Station, which is in close proximity to the Study Area, as well as Piccadilly and Oxford Road Rail Stations.
- 2.74 In January 2013, the UK Government announced its commitment to Phase 2 of High Speed Rail 2 (HS2). The completion of HS2 (currently programmed for circa 2033, although this date could be brought forward) is expected to provide a significant economic boost to cities in the North of England. It will allow enhanced connections to London and Europe and deliver 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.

- 2.75 HS2 will provide essential additional capacity across the rail network, shorten journey times between Britain's major population centres, boost the economy and create thousands of jobs. The scheme also 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.
- 2.76 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. These world-class transport nodes would connect Manchester businesses to the Europe-wide high speed network, providing multi-modal connectivity to the rest of the region and beyond. At the same time, the Northern Hub rail schemes will bring additional capacity to the classic rail services at Piccadilly Station, by means of two new platforms, and improve services and connectivity to and from the city.
- 2.77 The additional investment in Piccadilly represents a unique opportunity to transform and regenerate the northern and eastern gateway to the City Centre. This can link to the Council's aspirations to transform the northern and eastern edge of the City Centre across the Inner Ring Road, and provide important connectivity and opportunities to major regeneration areas in the north and east of the City, including the Study Area.
- 2.78 In order to respond to the opportunities presented by HS2 and the Northern Hub, a Strategic Development Framework for the area surrounding Piccadilly Station (the HS2 Manchester Piccadilly SRF) was approved by Manchester City Council in 2014. The SRF aims to maximise the once-in-a-century opportunity provided by HS2 and the Northern Hub to create a world class transport hub and arrival point into the City. It includes the provision of animated and legible pedestrian connections through the area, particularly to East Manchester, along with the provision

of a network of public space to give a sense of place. A mix of uses is proposed within the area to ensure viability and sustainability.

- 2.79 Integration of the HS2 and existing Piccadilly Stations will provide the opportunity to create a world class intermodal transport facility and architectural statement befitting of Manchester. The SRF includes a Station brief which would provide such a facility. The essential features of the new station are considered to be high architectural quality; a mix of uses; and intermodal connections for all forms of transport.
- 2.80 The delivery of a HS2 station alongside Manchester Piccadilly will clearly have a substantial positive impact on driving forward a wider regeneration plan for the Study Area. Regeneration opportunities will flow from Piccadilly via Ancoats and New Islington towards the Study Area, which will be attractive to both potential residential occupiers with the opportunity to live in close proximity to the new HS2 interchange, and commercial occupiers looking to capitalise on the excellent connections to the capital, other regional cities, and beyond.

Transport for the North (HS3)

- 2.81 The Government also recently announced the potential for a new high-speed rail link that could help to create a northern powerhouse, allowing cities across the north to compete collectively on a global scale.
- 2.82 The Government, working with Transport for the North, will now produce a comprehensive transport strategy for the region. The strategy will include options, costs and a delivery timetable for a HS3 east west rail connection.

Ordsall Chord

- 2.83 The Ordsall Chord is a key rail project for Manchester; the Chord is a new viaduct that will connect Manchester's Victoria, Oxford Road and Piccadilly Stations, and Salford Central Station (a five minute walk from Quay Street). 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.

- 2.84 Funding for the Ordsall Chord was confirmed in March 2011 and it is due to be operational by Winter 2016 / 2017. The scheme has been the subject of a series of consultation exercises and was considered at a Public Inquiry during Spring 2014. The Order was granted in Spring 2015.

Manchester and East Manchester Regeneration Activity

North Manchester Strategic Regeneration Framework (2004, 2012)

- 2.85 The North Manchester Strategic Regeneration Framework (SRF) was originally adopted by Manchester City Council in 2004, providing a framework for six Wards to the north of Manchester City Centre, including Cheetham, Crumpsall, Charlestown, Harpurhey, Higher Blackley and Moston.
- 2.86 The 2004 SRF identified that North Manchester's location, on the doorstep of the City Centre, which was itself undergoing a dramatic renaissance with new employment, retail, leisure, cultural, sporting and infrastructure facilities being delivered, meant that it could play a critical role in the drive to create a highly competitive economy through the delivery of high quality urban living.
- 2.87 Equally, the on-going success of the City Region would bring benefits to the communities of North Manchester through the generation of easily accessible employment opportunities.
- 2.88 The vision for North Manchester was to:

“...to create a series of high quality sustainable communities, each providing a broad range of living facilities and services that meet the life demand of existing and new residents.”

- 2.89 At the heart of this vision is quality of life and choice, with a focus on providing a wide range of housing choice in terms of tenure, value and size, supported by high quality amenities including public realm.

- 2.90 The 2012 SRF update maintained the original vision of the 2004 SRF, whilst focusing on a refreshed set of Core Objectives in response to on-going consultation with local communities.
- 2.91 It recognised that the 2004 SRF shaped a period of significant improvement across North Manchester, which placed it in a much stronger position to take advantage of the opportunities presented by the wider Greater Manchester economy.
- 2.92 The 2012 SRF identifies the Study Area as part of the Northern City Centre Fringe and a key strategic location for accommodating growth in the City Centre economy and driving investment northwards into Central North Manchester and the district's Northern Suburbs.

Collyhurst and Lower Irk Valley (CLIV) Planning and Development Framework (2012)

- 2.93 The CLIV Planning and Development Framework was prepared in 2012 to guide the future regeneration and development of Collyhurst and the Lower Irk Valley as key strategic opportunities on the northern edge of the City Centre. The Framework built upon a suite of regeneration and planning policy guidance, including the Core Strategy, the 2012 North Manchester SRF update and both the Collyhurst (2006) and Irk Valley (2010) Local Plans.
- 2.94 Collyhurst is an area that has experienced considerable population loss since the 1950s, triggered by the loss of traditional manufacturing industries and a decline in local employment. The area contains some of the most deprived communities in the country and is currently characterised by an oversupply of socially rented accommodation, with a poor design and layout and a lack of core neighbourhood infrastructure.
- 2.95 In contrast, the Lower Irk Valley predominantly comprises a mixture of derelict and underutilised sites, some active employment uses, surface car parks, open space and a number of housing sites (both recently developed and vacant sites), stretching along the River Irk. Along with the Mersey and

the Medlock, the River Irk is one of three major rivers that flow through Manchester.

- 2.96 The Framework reiterates earlier studies in identifying Collyhurst and the Lower Irk Valley as strategically positioned to make a significant contribution towards the regeneration of North Manchester as well as supporting the economic growth of the City Centre. It is one of only a minority of locations in the City Region able to accommodate significant population and employment growth over the next twenty years.
- 2.97 As a key strategic housing location, there is an opportunity to diversify the housing offer in Collyhurst and the Lower Irk Valley to create high performing neighbourhoods, building on the exceptional locational advantages close to the City Centre and the unique natural features of the River Irk, capable of driving investment from the City Centre along key gateways (including Rochdale and Oldham Road) into North Manchester.
- 2.98 The Study Area's proximity to both Collyhurst and the Lower Irk Valley, and its location as a key connecting neighbourhood within the northern and eastern City fringes, will be a key driver for the success of regeneration initiatives and the outward growth of the City Centre into the previously underdeveloped central suburbs of North Manchester.

Collyhurst Masterplan (2014)

- 2.99 An update to the CLIV Framework was provided to Manchester City Council's Executive Committee in October 2014, with a revised spatial Masterplan and implementation strategy for the Collyhurst area endorsed in principle.
- 2.100 Significant progress has been made in terms of bringing existing housing stock to Decent Homes Standards. An investment programme totalling just under £22m from the Government's Decent Homes Backlog Fund was secured in 2011 and is currently being delivered through Northwards Housing. This funding was also used to secure the demolition of 13 residential maisonette blocks, to allow for new infrastructure improvements and create significant development sites for residential development.

2.101 Building on the work to date, over the next 15-20 years, the Masterplan seeks to deliver:

- New residential development, predominantly on sites along Rochdale Road and a vacant site located between Osborne Street and St. Patrick's and Abbott Primary Schools.
- Three new roads, designed to improve access into and around the Collyhurst Village Estate.
- A new community hub, to be located in a central and prominent position on Rochdale Road.
- The withdrawal of proposals to pilot landfill remediation on Sandhills to enable development opportunities and the improvement of open space – this area will be allocated as open space on the Masterplan.
- New residential development for infill sites across the Irlk Valley and Smedley Dip neighbourhoods – funding has been secured through Government's Affordable Housing Programme.
- Future remodelling of parts of the neighbourhood where the current layout is poor, which will form a later phase of development.

Miles Platting

2.102 In January 2006, Manchester City Council entered into a 30 year Private Finance Initiative (PFI) contract with the Renaissance Consortium for the management and maintenance of Council-owned homes in the Miles Platting area. The overall programme will involve the redevelopment of significant parts of Miles Platting with the aim of remodelling the 107 hectare (264 acre) estate, improve the 1,500 Council properties and build over 1,000 new homes for sale and rent in the area.

2.103 Refurbishment work on the existing Council house stock was completed in 2010. In addition seven high rise tower blocks were refurbished internally and externally with a new extra care block extension included. Additionally, new development in the form of a 53 unit mixed tenure development branded "Gener8" off Sandal Street was completed in April 2012 with

provision made for social and market housing. The remaining 1,000 plus units and public realm will be built out by Lovell Homes over a twelve year period under the umbrella PFI contract.

2.104 Key to the masterplanning and construction programme will be creating a seamless connection that assists in stitching together the City Centre and neighbourhoods within the nearby eastern City fringes, outwards to the Etihad Campus and the wider East Manchester SRF area.

SportCity and the Etihad Campus

2.105 Located in the Medlock Valley in East Manchester, SportCity is an important legacy of the 2002 Commonwealth Games, which provides the largest concentration of international-standard sporting venues in Europe only two miles from Manchester City Centre. The site features the National Squash Centre, the 6,500 seat Manchester Regional Arena, English Institute of Sport, Manchester Velodrome and Tennis Centre.

2.106 SportCity has developed world-class sports and events venues that provide facilities for elite and professional athletes, as well as developing a strong community programme. As a venue, it hosts over 400 events a year and receives 4.5 million visits annually. It has also created a range of employment opportunities for local communities.

2.107 The Commonwealth Games stadium, formerly known as the City of Manchester Stadium, is now the Etihad Stadium and home to Manchester City Football Club. In September 2008, Manchester City was bought out by the Abu Dhabi United Group and since then has been transformed into a leading player in British and European Football's elite. The Group has since become a major stakeholder in East Manchester, progressing ambitious plans to transform both the Stadium and the surrounding land.

2.108 In March 2010, Manchester City Council, New East Manchester Ltd and Manchester City Football Club signed a Memorandum of Understanding committing each partner to work together to create a transformational plan for the area around the Stadium. The Eastlands Strategic Regeneration Framework (SRF) was published in 2011, building on what had already

been achieved in East Manchester over the previous 15 years, whilst directing future investment in a way that will enable local people and businesses to benefit.

- 2.109 Significant progress has been made towards achieving the SRF goals with the opening of several Metrolink stops (Etihad Campus and Velopark) and the delivery of Manchester City's world class first team and academy training facility, which includes 16 pitches, a media centre, health and fitness suite and a 7,000 youth team stadium on land to the south east of the Etihad Stadium.
- 2.110 The Beswick Community Hub is also under construction and will deliver a new sixth form college and leisure centre. More recently, Manchester City has secured Planning Permission to expand the Etihad Stadium from its current capacity of 47,670 to 62,170. Once fully expanded, the Stadium will be the second largest in the English Premiership.
- 2.111 It is important to ensure the continued regeneration of neighbourhoods surrounding the Etihad Stadium, and that the next stage of investment drives economic success for the wider North and East Manchester community through the provision of accessible employment, leisure and sporting opportunities.

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