

# CHESHIRE EAST COUNCIL

## REPORT TO: CABINET

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<b>Date of Meeting:</b>	<b>22 December 2010</b>
<b>Report of:</b>	<b>John Nicholson, Strategic Director, Places</b>
<b>Subject/Title:</b>	<b>Future Development of Macclesfield</b>
<b>Portfolio Holder:</b>	<b>Cllr Jamie Macrae, Prosperity</b>

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### 1.0 Report Summary

- 1.1 This report seeks approval to develop a coherent delivery plan for Macclesfield over to next 5-10 years, focusing specifically on the opportunities to:
- review the plans and agreements in place for the Town Centre
  - realise the potential of the South Macclesfield Development Area (SDMA)
  - improve and extend the town's facilities, particularly from a retail, leisure, cultural and heritage perspective.
- 1.2 It will provide a key foundation for the Local Development Framework process as it evolves over the next three years, through the development of a clear baseline and assimilation of evidence of need, demand, capacity and potential from a range of recent and planned studies.
- 1.3 This approach will require the commitment of the Council with financial and staffing resources to support the process.
- 1.4 This report also outlines how linkages between the redevelopment of the SMDA and the town centre will provide an overall delivery strategy for two major opportunities, which will contribute to the future potential of the town.

### 2.0 Decision Requested

- 2.1 That the Council approves the development of a delivery plan for Macclesfield that provides a more robust, cohesive for the town over the next 5-10 years.
- 2.3 That the Council lead, in partnership with our development partner Wilson Bowden Developments, in reviewing the options for delivery of a mixed use town centre development scheme in Macclesfield within the parameters of our existing Development Agreement, which includes stakeholder engagement and public consultation.
- 2.4 That the Council agrees to approve £150k from the Places earmarked reserve for economic development over the period 2009/11, in order to procure:
- external consultancy capacity and expertise to support the development of this delivery plan.

- commercial development advice for the South Macclesfield Development Area (SMDA)

### **3.0 Reasons for Recommendations**

- 3.1 Macclesfield is identified as a growth area under the current Regional Spatial Strategy and, as such, provides opportunities for sustainable growth.
- 3.2 The development of our Core Strategy will review current development opportunities for the area. However this process may not produce updated development plans for key sites for 2-3 years, missing the potential to position Macclesfield to achieve its potential as the commercial market picks up over the next few years.
- 3.3 The Council has an existing Development Agreement with a private sector partner for a redevelopment scheme in the town centre and it is imperative that a scheme is delivered in the shortest possible timescale and fulfils the ambition that the Council has for the town.
- 3.4 The town centre in Macclesfield is an important location for current Council activity. The approach outlined in this report will ensure that our key civic assets, such as the town hall, can be utilised effectively and integrated with the rest of the town.
- 3.5 Commercial developers and investors are not investing in many new development and regeneration schemes at this stage. However, they are actively analysing future opportunities for when the market picks up, placing greater emphasis on schemes where local authorities are actively engaged in terms of both planning schemes and considering joint ventures, to minimise risk in terms of deliverability.
- 3.6 The current economic conditions, and previous experiences with the South Macclesfield Development Area (SMDA), indicate that no commercial-led development proposals will emerge in the short term, unless the Council takes a lead in reviewing future uses. The future uses of the site should be considered within the context of our plans for the town centre and the advantages of developing the two proposals in parallel are detailed in the report.
- 3.7 In order to ensure that the needs and ambitions of communities in Macclesfield, and of the Council itself, are addressed as holistically, effectively and promptly as possible, the Council needs to take a pro-active approach with commercial development partners to the planning of new schemes. Whilst this does not presuppose that implementation will commence immediately, it will position the town and Council much more strongly in this respect, both in relation to its current position and the position of other towns.

#### **4.0 Wards Affected**

- 4.1 Macclesfield Town, Broken Cross, Macclesfield West, Macclesfield Forest, Prestbury & Tythnington.

#### **5.0 Local Ward Members**

- 5.1 Cllr Arnold, Cllr Asquith, Cllr Beckford, Cllr Bentley, Cllr Broadhurst, Cllr Findlow, Cllr Gaddum, Cllr Goddard, Cllr Hardy, Cllr Jackson, Cllr Knowles, Cllr Narraway, Cllr Neilson, Cllr Smetham, Cllr Tomlinson

#### **6.0 Policy Implications**

- 6.1 Development proposals emerging from the town centre and South Macclesfield Development Area work will be required to demonstrate appropriate analysis of implications for wider public policy issues including sustainability, environmental impact, health, culture, transport, learning, etc. All key stakeholders will be engaged in the process both to identify issues, but also opportunities to maximise both the community and commercial benefit and deliverability of proposed schemes.
- 6.2 The issue of climate change and sustainability will be a key feature of new development proposals. There is the potential for this Council to take a lead in developing sustainable solutions to major development and make use of new technologies and design solutions.
- 6.3 This work will provide the opportunity to join up policy across Cheshire East for the benefit of Macclesfield and the rest of the Borough including our review of leisure and cultural amenities, waste facilities and our overall approach to supporting town centres.

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None

#### **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 The costs associated with this approach are approximately £150k to cover the professional fees in developing and testing the concept and proposals.
- 8.2 Given, that the Council holds a freehold interest in part of the South Macclesfield Development Area and the adjoining retail planning allocation, totalling 26.5 hectares, there are likely to be implications for the Council in terms of potential income resulting from possible sale or lease of this land. Part of the purpose of the proposal will be to determine the potential value of the site to the Council, and also how it could be used to deliver community benefit.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 The Council has a statutory obligation to comply with procurement law, a breach of which may give rise to liabilities. Should it be agreed that the current Development Agreement with Wilson Bowden Developments be varied, this could constitute a new agreement for the purposes of the EU Procurement Regulations. However, provided the changes to the agreement address the overall economic viability of the scheme, and are not unnecessarily in favour of the developer, Nabarro solicitors have advised that there is, in general, a relatively low risk of the revised agreement being construed as a new agreement, and therefore subject to the requirement to advertise under EU Regulations.
- 9.2 Further specialist legal advice will be required from Nabarro on any variations eventually agreed to the original Development Agreement, to ensure compliance with EU Procurement Regulations, and to highlight any areas where the Council may be at risk.
- 9.3 As indicated at 11.33, any procurement of a development partner for the Council's land and assets in the SHDA (and the engagement of professional advisers) would need to comply with the Councils own contract standing orders and EU procurement rules.
- 9.4 A full title report on the Council's relevant landholdings should be undertaken to assess their suitability for inclusion in any development proposals.

## **10.0 Risk Management**

- 10.1 A full and ongoing risk assessment will be undertaken as a part of the project management process but, at this stage, the key risk to the council and its communities is 'doing nothing'. The key risks associated with the actions identified in this report are:

<b>Key Risk</b>	<b>Mitigation/Contingency</b>
Failure to secure appropriate external advice, resulting in insufficient capacity/expertise to deliver the project.	The project will be supported by an experienced professional team procured appropriately
The integrated approach causes uncertainty and delay in progressing one/both of the two major schemes.	This is a low risk in the current economic climate, but early dialogue with key stakeholders and development of a refined project plan will minimise this risk further

## **11.0 Background**

- 11.1 The new Council has inherited two major existing spatial priorities for the Macclesfield area which are:

- Regeneration of Macclesfield Town Centre.
  - Development of the South Macclesfield Development Area (SMDA)
- 11.2 It also recognises the need to establish a clearer baseline in terms of need, demand, capacity and potential for a range of uses including retail, leisure, cultural and heritage.
- 11.3 Macclesfield is identified as a growth area under the current Regional Spatial Strategy and as such provides opportunities for sustainable growth.
- 11.4 The creation of the new Council and the development of the new Regional Strategy 2010 provides an opportunity to understand more fully the role and function of Macclesfield, particularly its role in the Manchester City Region and its wider influence across the Cheshire and Warrington Sub-region.
- 11.5 The two major investment opportunities outlined above are at different stages of development, but a clear understanding of the linkages and synergies between them, and the wider influences within Cheshire East is required to maximise the potential of both sites. For example, the presence of a significant (10ha) retail allocation on the SMDA at a time when proposals for major retail investment in Macclesfield Town Centre are emerging, means it is essential that a complementary approach is taken in pursuing development. There is major food retailer interest in the Macclesfield area and priority locations and capacity issues need to be resolved.
- 11.6 The current recession and uncertain economic outlook also have implications for the progression of the investment plans and the Council requires a realistic view of what can be achieved in the short and long term for both sites.

### ***Macclesfield Town Centre***

- 11.7 Macclesfield is the principal town in North East Cheshire with a population, including surrounding settlements, of approximately 70,000. The primary catchment area for the town is about 113,000 from which around 75% of the town centre shopping visits are derived.
- 11.8 The town is readily accessible by car and over 2,200 public parking spaces are available in the town centre. The bus station, which was rebuilt in 2005, provides regular services to the town's residential areas and a number of outlying villages and neighbouring towns. Macclesfield train station, which is on the West Coast main line and also provides local services, is located adjacent to the town centre.
- 11.9 Despite the level of affluence in the area, the town centre is poorly represented by national multiple retailers. Many of the traditional shopping streets contain smaller units which are unsuitable for national multiples and a number of existing national multiple retailers are currently trading from undersized units or poorly configured stores. Neither is there a department store or cinema provision. Food shopping provision is restricted to two supermarkets plus an

M&S food hall and small convenience outlets, although there are two superstores relatively close to the town centre.

- 11.10 As a result, a significant amount of spending on comparison goods and leisure activity takes place in Manchester City Centre, Stockport Town Centre, Handforth Dean, Cheadle, the Trafford Centre and other large centres.
- 11.11 Key strengths of Macclesfield town centre are the attractive public realm and shopping environment which has retained much of its historic street pattern and scale, and the significant number of independent retailers, which help to distinguish Macclesfield's offer from other centres.
- 11.12 There has been limited development activity in the town centre over the last ten years and no significant increase in retail floorspace. Various studies have identified a need for additional floorspace in the town centre to maintain a competitive position and the planning framework dating back to the Macclesfield Borough Local Plan 1997 and carried over to the existing 2004 Local Plan, has been supportive of redevelopment. A view was taken that, by attracting more multiple retailers to the town centre, some of the expenditure lost to competing centres could be clawed back to Macclesfield.
- 11.13 A Development Brief was prepared for the redevelopment of the town centre in 2004 and, in November 2005, following a tendering process, the Borough Council selected Wilson Bowden as their "preferred development partner". The Brief outlined the Borough Council's vision to enhance the centre through a retail led mixed-use development to include comparison and convenience shopping offering a range of shop sizes to cater primarily for non-represented multiple retailers, a department store, a cinema, a hotel, offices, residential accommodation including affordable housing, car parking (including short stay), transport improvements, a new town square, improvements to the public realm and a new Community Hall.
- 11.14 The outline planning application for the £200 million redevelopment of Macclesfield Town Centre was submitted in November 2008. The key features of the Scheme were:
- Debenhams department store – 80,000 square feet at Park Green
  - 50 additional retail units of various sizes complementing the existing town centre
  - A new community hall with adjacent parking
  - Eight-screen cinema on Churchill Way with restaurants and cafes around a major new public square as a focal point for meeting and eating
  - A replacement of the existing car parks providing over 1,200 parking spaces in a multi-storey car park at the Park Green end of the site
  - 55 residential properties – town houses and flats, including affordable housing
  - New foodstore at the Park Green end of the site
- 11.15 As a result of representations made on the outline planning application by both statutory and non statutory parties, together with the impact of the economic

climate, Wilson Bowden formally asked the Council for an extension of time before the planning application is determined so that they can revise the Masterplan.

- 11.16 Since 1<sup>st</sup> April 2009, the Council has reviewed the legal position of the current Development Agreement and has agreed to progress discussions with Wilson Bowden to develop a new scheme which will be subject to a further legal review prior to implementation to ensure the Council is adhering to procurement legislation.
- 11.17 The impact of the recession has had a major impact on the type of scheme that Wilson Bowden are now proposing to bring forward and the potential timescales for development.
- 11.18 Whilst this is disappointing in many ways, the delays, due to a depressed market, can prove to be of advantage to Cheshire East as we have the ability to plan a scheme for the town which meets our priorities as a new authority.
- 11.19 We now have the opportunity to fully integrate the following challenges and opportunities facing the new Council into a coherent delivery plan for the town.
- the ambitious plans for the Silk Museum and how they can be integrated into an overall delivery plan
  - how to build upon the town's heritage and cultural offer and branding of Macclesfield as the 'Silk Town'
  - how the town's leisure requirements can be addressed in light of the Council's leisure review.
  - how the Town Hall and civic facilities, including the library can be best utilised for the benefit of local residents.
- 11.20 There is now also scope to more fully consider how a future development scheme can complement and link to the rest of the town via the development of the Macclesfield Delivery Plan. One of the major criticisms through the public consultation process on the original scheme was that there was a lack of connection and permeability to the current town centre.

### ***South Macclesfield Development Area (SMDA)***

- 11.21 Macclesfield is the major employment centre in the north east of Cheshire. It forms a key part of the North East Cheshire Growth Engine identified in the Cheshire & Warrington Sub Regional Economic Strategy and as such plays a major role in generating business start ups and knowledge based firms. The strongest sector specialism is Biotechnology and Pharmaceuticals which employ 10% of the workforce.
- 11.22 Whilst the economy is buoyant by regional/national standards, over the last five years there has been a slow down in new business formation, growth in employment has been weak by national standards, and the area has an ageing workforce. Nevertheless future GVA growth could still outstrip other parts of the sub-region. To maintain the area's economic pre-eminence requires, amongst

other things, investment in land and premises infrastructure. The SMDA could play a key part in accommodating the future economic development needs of the Macclesfield area.

- 11.23 The 60 hectare South Macclesfield Development Area is a mixed use Local Plan allocation on the southern edge of Macclesfield. The area lies between Congleton Road (A536) to the west and the mainline railway on its eastern boundary. East of the railway, lies Lyme Green Business Park and London Road (A523). Immediately to the south of the site is the active Danes Moss Landfill site and, beyond that, the Danes Moss Site of Special Scientific Interest.
- 11.24 The site is characterised by open areas of rough pasture and grassland, and a number of hedgerows and ditches cross the site. In the south west corner lie Cheshire East football pitches, and a number of 'bad neighbour' uses lie along the boundary to Moss Lane.
- 11.25 Part of this site (22 hectares) is allocated for B1, B2 and B8 employment uses and there is a 10 ha retail allocation and a 6ha housing allocation (now developed). The remainder of the site comprises walkways and open space provision. A Brief was also prepared for the Development Area in 1998 to guide prospective developers.
- 11.26 In 2002, planning applications by Shepherd Developments for the whole of the Development Area (termed 'Danegate') were refused by the former Macclesfield Borough Council, primarily because of conflict with the Local Plan. In particular, the Planning Committee considered that the retail provision would adversely affect the town centre, and the traffic problems posed by the development would not be adequately resolved. There have been no further applications to develop the site, although the site was also investigated (and rejected) as a possible location for the 'Macclesfield Learning Zone', (replacement Macclesfield College/Henbury High School). This has now been built on the College's existing site off Park Lane.
- 11.27 Following on from the findings of the Macclesfield Property Study 2005, which looked at the supply and demand for employment land in the former Borough, a feasibility study was commissioned by Macclesfield Borough Council in 2007 to make recommendations on preferred development options for the SMDA. The study was also informed by restricted consultations with key stakeholder organisations and local community representatives. These largely endorsed the issues and ideas identified by the consultants.
- 11.28 The study recommended a number of 'next step' actions and, in tandem with this, efforts were made to secure funding from the NWDA to progress a Masterplan for the site but this was unsuccessful. Subsequent efforts to bring the site forward were not fully progressed, due to local government reorganisation in Cheshire and the onset of the economic downturn.
- 11.29 The site is in multiple ownerships. Cheshire East Council holds a freehold interest in part of this land and the adjoining retail allocation, totalling 26.5



hectares. The owner of the Lyme Green Business Park controls the access into the site from the south.

- 11.30 Macclesfield Town Football Club have recently indicated a desire to move to a larger purpose-built stadium complex, with associated community and commercial facilities, within the SMDA. The club's timescales are very ambitious, linked both to their enhanced viability and other emerging opportunities.
- 11.31 There is also potential to consolidate depot/waste facilities in this area, which could have the benefit of releasing key sites elsewhere across the town. This could be tied into a strategic approach of developing a sustainability theme to the future of the site.
- 11.32 There would also be an opportunity to consider highways arrangements in the town, within the context of the Local Transport Plan, in terms of a potential link road which could simultaneously relieve transport congestion in the town centre, whilst serving new development sites.
- 11.33 With landownership interests held by Cheshire East Council, any development strategy, whether for the wider SMDA or just the Council-owned land, will require an open market process involving OJEU, and this has been made clear to MTFC.
- 11.34 This approach may result in a change to the planning context, e.g. through Supplementary Planning Guidance, but only following engagement with other landowner interests and community consultation.

### ***The Way Forward***

- 11.35 Macclesfield will continue to have an important role to play in the economic growth of Cheshire East and the North West as a whole. The economic relationship with South Manchester over the next 20 years is likely to increase due to agglomeration and to the implementation of regeneration projects and additional public and private sector investment.
- 11.36 The regeneration of Macclesfield town centre for mixed use, and the provision of good quality office space to stimulate the high value economy will be essential elements of our overall strategy. Key to this will be the realisation of the potential of the South Macclesfield Development Area.
- 11.37 A delivery strategy is now required to take forward the redevelopment of these two key areas/sites within the context of an overall vision for the town. Whilst the Local Development Framework provides the overarching mechanism to achieve this, the Council need not be constrained by this process when so much progress has been made, particularly in terms of the Town Centre, but also in amassing other evidence. The actions proposed in this report are compatible with the prevailing planning policies and proposals as set out in the North West of England Plan and saved policies of the Macclesfield Local Plan 2004.

- 11.38 In particular, there is now a clear opportunity to move forward in developing plans for both the Town Centre and South Macclesfield Development Areas in tandem, which would provide the opportunity to explore and evidence both the potential conflicts and complementarities between the two schemes.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 A detailed timetable will be drawn up following appointment of a specialist advisory team.
- 12.2 The team will explore in detail the potential for linking the two development sites whilst not compromising on the overall timetable for delivery within the town centre. The overall Delivery Plan will result from these two approaches, alongside the additional research and analysis required to establish the requirements and opportunities for the town.
- 12.3 In light of the economic downturn it is difficult to predict when the redevelopment of the town centre will take place. However, it is expected that work will not commence prior to 2013. The work outlined in this report will ensure that the next few months are utilised effectively and Macclesfield is ready to deliver a high quality scheme which fits the needs of the town.

## **13.0 Access to Information**

### **13.1 Background papers**

Additional background information can be drawn from:

- Macclesfield Borough Local Plan, 2004
- South Macclesfield Development Area Brief ,1998
- Core Strategy : Consultation on Preferred Options, 2006
- Danegate Planning Applications, supporting information, and Planning Committee report
- 2008 North West of England Plan
- Cheshire 2016 Structure Plan Alteration
- Cheshire Town Centre Study (White Young Green) 2007
- Macclesfield Property Study, 2005
- South Macclesfield Employment Area Report (BE Group) 2007
- North West Regional Economic Strategy, 2006
- Cheshire & Warrington Sub Regional Economic Strategy,2005
- Macclesfield Borough Economic Development Strategy, 2006
- Macclesfield Place Profile, (NWRIU) 2009

- 13.2 The background papers relating to this report can be inspected by contacting the report writer:

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