

CHESHIRE EAST COUNCIL

REPORT TO: Cabinet

Date of Meeting:	20 th December 2010
Report of:	John Nicholson, Strategic Director - Places
Subject/Title:	Macclesfield Economic Masterplan
Portfolio Holder:	Cllr Jamie Macrae, Prosperity

1.0 Report Summary

- 1.1 The report provides an update on the development of an Economic Masterplan for Macclesfield that has been produced with the support of external consultants over the past 10 months. It seeks the endorsement of the Action Plans in relation to the Town Centre and the South Macclesfield Development Area and agreement to commencement of work to implement these plans with partners.

2.0 Decisions requested

- 2.1 That Cabinet:
- endorse our Economic Masterplan and supporting Action Plans
 - approve the regeneration actions for Macclesfield town centre
 - endorse the proposed strategy for South Macclesfield Development Area (SMDA)
 - agree the commencement of work to deliver the Action Plans with partners

3.0 Reasons for Recommendations

- 3.1 At its meeting on 21st December 2009, Cabinet approved the development of an Economic Masterplan for Macclesfield and the appointment of consultancy capacity to support the development of this and review, along with our current town centre development partner Wilson Bowden, the options for delivery of the town centre scheme within the parameters of the existing Development Agreement. This is dealt with in a Part 2 related report
- 3.2 The Cheshire East Local Development Framework will set out an updated planning policy framework for the town, to incorporate the proposals from the Economic Masterplan. However, this will not be formally adopted until 2013.
- 3.3 This report sets out the Council's approved policy position for SMDA and Macclesfield town centre, which will be considered as a material consideration

in determining any planning applications on these sites or likely to impact on the development proposals for these sites, pending the adoption of the LDF.

- 3.4 As one of the Council's economic and spatial priorities, the performance of Macclesfield is key to enhancing the economic prosperity and well-being of Cheshire East as a whole. The town centre plays a particularly important role as a key retail, commercial and cultural hub, and its future regeneration needs to be considered alongside the potential of SMDA and the council's ownership interests.
- 3.5 Reflecting competition from other towns, and 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 continue to take a pro-active approach in leading on the delivery of actions that promote regeneration within the town.

4.0 Wards Affected

- 4.1 Macclesfield Town, Broken Cross, Macclesfield West, Macclesfield Forest, Pretbury & Tytherington.

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 Livesley, Cllr Narraway, Cllr Neilson, Cllr Smetham, Cllr Tomlinson

6.0 Policy Implications

- 6.1 The scope of regeneration and redevelopment in Macclesfield, encompasses a broad range of policy issues including spatial planning, highways and transport, environmental services, assets and leisure.
- 6.2 The strategic issues and detailed action plans will feed directly into local and sub-regional policy, including the emerging sub-regional Local Enterprise Partnership for Cheshire & Warrington.
- 6.3 Development proposals emerging from the Town Centre and SMDA 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 have been engaged in the process both to identify issues, but also opportunities to maximise both the community and commercial benefit and deliverability of proposed schemes.
- 6.4 The work undertaken will provide the opportunity for Cheshire East Council and its local delivery partners to identify and more coherently address key strategic

and operational actions, for the benefit of Macclesfield's residents and businesses, as well as Cheshire East as a whole.

- 6.5 The saved policies in the Macclesfield Local Plan currently provide the planning policy framework for the town. The masterplan has been prepared to support the implementation of strategic site allocations contained in the Local Plan.
- 6.6 The delivery of a Masterplan also has to take account of national and regional planning policy set out in Planning Policy Statements, particularly PPS4 & 6 and the Regional Spatial Strategy, which remains valid at this point.

7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)

- 7.1 In order to deliver the two key Action Plans for Macclesfield Town Centre and SMDA, as identified through the Masterplanning process, support and resources will need to be harnessed from across other public, private and voluntary sectors partners.
- 7.2 The costs of securing the provision of some additional capacity to pump-prime the development of an Economic Prosperity Forum will be funded from the Economic Development projects earmarked reserves as follows: £20k in 2011/12 and £20k in 2012/13. The appropriate financial approvals in accordance with the Finance and Contract Procedure Rules will be requested from the Places Director as part of the delegated decision process.
- 7.3 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. Further detailed costings will be provided when a delivery mechanism has been developed.
- 7.4 In relation to a revised Development Agreement for the town centre, there are likely to be implications for the Council in terms of potential:
 - loss of car parking income
 - costs of possible third party challenges
 - need for further external specialist advice

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 Section 2 of the Local Government Act 2000 of the Act gives Local Authorities power to take steps which they consider are likely to promote the economic social or environmental well being of their area or its inhabitants. In doing so, no action can be taken which would contravene any specific statutory prohibition restriction or limitation. Regard must also be had to the Community Strategy. The actions proposed in this report are likely to fall within this power but individual assessment of each one will be required at the appropriate time.

- 8.2 There are also legal implications in relation to the Wilson Bowden Development Agreement, which are detailed in the separate Part 2 report.

9.0 Risk Management

- 9.1 A full and ongoing risk assessment will be undertaken as a part of the delivery of the Action Plans.

- 9.2 In terms of the more strategic risks associated with taking forward the proposed approaches to addressing the regeneration priorities of the Council, the key risks are:

- Legal: there are risks in relation to the Wilson Bowden Development Agreement, which are detailed in the separate Part 2 report.
- Public Funding: over the next 3-5 years there will be a major reduction in the availability of public funding, including the Council's own resources. There will therefore be a need to maximise private sector funding and well-considered use of public funding, to maximise leverage and impact.
- Other policy developments: a key part of the emerging Local Development Framework will be a new Community Infrastructure Levy (CIL). Unless there are any exemptions to CIL, there will be a requirement for all new developments to contribute a formula-based tariff towards wider infrastructure as well as on-site infrastructure. This could impact on the viability of schemes such as that at SMDA.
- Timing: Whilst the Masterplanning exercise has drawn out some key proposals for Macclesfield town centre and SMDA, there is a risk that other proposals may come forward that, if successful in obtaining planning consent, could impair the deliverability of certain uses at SMDA.

10.0 Background

- 10.1 A consultancy team led by CBRE was appointed to work with the Council in the development of the 'Macclesfield Economic Masterplan'. The Masterplanning process has been critical in drawing out a wide range of issues that are being used to inform the Action Plans and negotiation of variations to the development arrangements for the town centre including the current Development Agreement. The process has included technical analysis, market analysis, deliverability review, consultation with the public, key stakeholders and local members, and the development of separate but linked Action Plans for the Town Centre and SMDA
- 10.2 Commercial developers and investors are being selective in their investment strategy for 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. This puts Macclesfield, and the town centre in particular, in a strong competitive position.

- 10.3 The current economic conditions, and previous experiences with SMDA as evidenced by there being no tangible developer interest over the last fifteen years, indicate that no employment use led development proposals will emerge at that location 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.
- 10.4 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.

Town Centre Issues and Actions

- 10.5 The key findings of the Economic Masterplanning in relation to Macclesfield town centre identify that :
- a) it is under significant pressure from competing towns in the South Manchester belt.
 - b) it lacks a co-ordinated and significant leisure offer with restaurants and cinema being the key missing offer.
 - c) the potential Wilson Bowden scheme is regarded as a positive opportunity, however the layout and scale of the current application which is in abeyance needs to be addressed.
- 10.6 The review of the town centre shows the primary development opportunities that have been identified as a result of other considerations that include accessibility/ severance, the coverage of the conservation areas and local topography. As a result of this analysis, the consultants recommend that the Market Square and the Chester Gate area become the traditional heart of the town offering uses that address and enhance the area's heritage and conservation assets . The southern portion of the town around Park Green and the land to the west to Churchill Way become the leisure quarter with the central area being the retail quarter focussed on the new retail development with strengthened links between each of the identified parcels and the rail station through Sunderland Street. However, the nature of the constraints identified suggests that town centre regeneration will come forward in a phased approach.
- 10.7 Successful public and stakeholder consultation exercises indicated that the majority of people agreed that Macclesfield was not achieving its full potential

as a sustainable and vibrant community. It was also suggested that there was a lack of focus and vision for the direction of the town and little co-ordination in a Macclesfield context, but there was strong support for further efforts on town centre management with greater use of the Market Square being a consistent priority and there was a clear steer that the vision in branding and heritage aspects of the town centre needed to be co-ordinated and improved substantially.

- 10.8 The consultants recognise that whilst there would be major benefits resulting from a major new town centre scheme, in most similar developments, there is a risk of displacement affecting the towns existing retail base. However, this can be mitigated through the provision of support to existing independent retailers to help make them respond positively to new competitive pressures.
- 10.9 There is a clear identification that the quality of the town centre environment and how it is promoted needs to be addressed, and this could be done through the formation of a small group of key partners including the Council and local retailers. This has been raised at November's Macclesfield Business Breakfast event and is under active consideration.
- 10.10 Through the process of option testing, it is clear that a new town centre retail scheme, to include a cinema, must be focused on the current Churchill Way, Exchange Street and Duke Street car parks, with a department store and multi-storey car park being located in adjacent positions, probably to the south of the site. Beyond this, there would need to be strong access and design linkages back into Mill Street to ensure that the southern portion of Mill Street creates a retail loop strengthening the new retail and the historic Mill Street, and promoting a sense of 'place'.
- 10.11 In summary, there needs to be a vision for the town, an enhanced town centre environment, support for activities that improve and promote the town centre, and encouragement for visitors and shoppers to use car parks and the retail centre. The following key actions are identified:
 - a) ensure design and linkages are appropriate across the town centre as part of any new retail scheme.
 - b) limit the impact of any new multi storey car park to ensure that the town centre is supported throughout.
 - c) continuation of the employment land study and retail capacity assessment to underpin the assumptions within the economic masterplan for the town centre uses.
 - d) develop measures and strategies to combat increases in congestion by improving linkages to and across the town by modes of transport other than a car.
 - e) in order to capture the full economic opportunities active dialogue with developers and prospective occupiers should be encouraged by all organisations to ensure skills gaps are identified and overcome.
 - f) ensure that appropriate investment and business support is in place to reduce the numbers of business phase as part of displacement pressures as a result of a new development opportunities.

- g) co-ordinate budgets to ensure that priority projects are co-ordinated within existing and proposed Council future allocations. Given the pressure placed on local authorities for the next two to three years it is imperative that funding sources such as the Regional Growth Fund, opportunities coming through the LEP and local business initiatives are captured. These could help ensure that investment in Macclesfield is in the right areas to enable it to hold its own against competitor locations, which it has not been able to achieve in recent years, contributing towards its recent decline as identified in the baseline and consultation analysis.

South Macclesfield Development Area Issues and Actions

- 10.12 The Economic Masterplan report identifies that the principal issue hampering any form of development at SMDA is the cost of infrastructure required to open up the site and, consequently, the additional abnormal costs associated with overcoming the ground conditions to create the development platform.
- 10.13 However, aside from these issues, the site has suffered in the context of the market, with highly competitive sites and towns within the south Manchester belt, such as Cheadle Royal and Handforth Dean, drawing in investment and occupier demand for premium office space and Congleton, to the south-west, which is better positioned in terms of lower cost, better located industrial sites.
- 10.14 The net result of these two issues has been the failure to deliver any of the local planning allocation throughout the adopted plan period.
- 10.15 Whilst it is less attractive as a location for commercial development, it is more so in relation to socio-economic connections, being located adjacent to some of Macclesfield's most disadvantaged communities.
- 10.16 As part of the wider consultation process with the public, stakeholders and local members, it was established that some development was desired on the site, and that the preferred option was for a mixed development comprising retail, leisure, housing and a new football stadium, alongside a new link road connecting Congleton and London Road, passing through the current football stadium site in order to avoid the costs and constraints related to crossing the railway line.
- 10.17 Subsequent exploration of the alternative development options indicate that they are undeliverable due to viability and site constraints, which suggests that the only alternative would be for very piecemeal development on the Council's land, or none at all.
- 10.18 The common issues and opportunities identified include:
- Traffic access and congestion issues to the site and to the south of the town centre
 - The need for a new link road
 - Relationship with / impact on the town centre and need for a comprehensive strategy
 - Need for new leisure development

- 10.19 The rationale for the mix of uses requires that there must be element of retail development in order to overcome the need for the strategic link. The other uses on the site must prove viable in their own right in terms of the quantum of housing development.
- 10.20 In relation to such development, there remain issues in terms of the retail capacity assessment, which will guide the development of retail policies in the LDF, and is inter-connected and 'balanced' with town centre retail development. There are also issues around employment land supply, with the consultant's analysis of market demand suggesting that SMDA's current allocation as an employment site is surplus and actually distorts the market potential of other employment sites in the town.
- 10.21 In terms of the market perspective the SMDA opportunities must not interfere with the ability to strengthen and grow Macclesfield town centre. The report identifies the limits on employment/commercial activity and therefore the town centre must always remain the higher priority of the two sites. However the SMDA will not be delivered without the Council considering a volume of retail and other high value uses to assist in the deliverability of the scheme.
- 10.22 Since 1997, the SMDA has been identified principally for employment-generating uses, but only one application has come forward since then, which was rejected because of transport issues. The preferred option arising from the Masterplanning process is for a mixed use development that comprises retail, commercial leisure/recreation (e.g. cycle track, training pitches) and housing, together with a new link road and a new football stadium at a different location from the current one. Development proposals would be expected to comprise all of these proposed uses; the only means by which all of these can be delivered is if land uses, such as housing and retail, cross-subsidise others and the associated infrastructure costs. A sequential test would have to be undertaken prior to the allocation of the site for retail uses and such an allocation should be phased after the delivery of the town centre redevelopment proposals.
- 10.23 In terms of delivering the preferred option, the funding strategy relates to enabling development with receipts from site sales to residential developers being supplemented by funding from a range of sports and arts organisations connected to a new football stadium development, as well other potential regeneration sources such as the Regional Growth Fund.
- 10.24 In order to be deliverable, the Council must determine the availability of the Council's land resources, consider the use of compulsory purchase powers to assist in the delivery of the whole of the SMDA and act as a conduit through which feasibility monies and current application skills can be used to deliver gap funding and investment into the project. In addition, the Council will have a role in undertaking the employment land study, an interim development brief to guide development uses and scale and also shape the LDF in such a way as to support the stadium development if the feasibility testing in the short term proves the scheme can be delivered.
- 10.25 In terms of this costing issue, the feasibility that is required beyond this project must look at the detailed cost of the link road, its alignment, and the land required to deliver the solution

- 10.26 Although the Council is a key landowner at SMDA, to take the preferred option forward will require a new referencing exercise and negotiations with other landowners, to address the matter of assembling the site for the wider project.
- 10.27 The third issue to resolve would be the quality of the land in terms of bringing it into a state suitable for development site. The cost of this preferred solution will need to be considered as part of the planning considerations on the acceptable uses.
- 10.28 In summary to take forward the preferred option, the following short-term actions are identified in order to determine planning, funding and the delivery route.
- Establish the SMDA link road options and costs and additional linkages between the town centre and SMDA.
 - Determine the land ownership in both quantum terms and deliverability terms. This needs to be taken further in terms of the level of support from the Local Authority to use its CPO powers to assist in the assembly of the site should it prove viable.
 - The Council needs to explore, through the viability of the development including the precise funding gap required and determine whether this gap is potentially fundable in the short term.
 - In order to determine the viability argument, funding bodies need to be approached to determine the likely levels of support.
 - The potential of the landfill area needs to be explored and tested both in terms of feasibility, profitability, etc
 - The Council and Macclesfield Town Football Club need to resolve the route to development in terms of the lead partner, development partners and use of Council land and resources.
 - Prepare and consult on an interim development brief which will take into account all of the constraints and opportunities and provide a clear indication to the developer partner and principal parties what the uses could be and how these uses would assist in achieving the viability of the overall project.

11.0 Access to Information

11.1 Background papers

Macclesfield Economic Masterplan

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

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