

The Co-operative's Manchester Estate: Delivering the Vision

The Co-operative Group, in partnership
with Manchester City Council

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1 Executive Summary

In May 2009, Manchester City Council approved a Strategic Regeneration initiative for 20 acres of land centred on the Co-operative Group's existing Head Office in Manchester City Centre. The May document set out a vision for the regeneration of this site, based on the following principles:

- Work with our partners to establish an ethical framework for the project that puts the interests of people and communities first.
- Create a development that establishes new standards in its commitment to protect the environment.
- Produce a commercially viable and financially successful development.
- Provide locally generated and innovative solutions to create renewable sources of energy.
- Integrate the city's green transport strategy.
- Attract new business and new jobs in a diverse, mixed economy.
- Bring new major office occupants and head offices to Manchester.
- Create opportunities for new residential living that will bring a permanent vibrancy to the quarter.
- Build new public spaces giving the area a distinctive and unique character.
- Enhance green space throughout the development.
- Celebrate Manchester's heritage and the contribution it has made to the world in industry, science, ideas and culture.

As the major economic engine of the North West, the Regional Centre needs to continue to grow to offer more opportunities for businesses and investment and to maintain its dynamism and energy. This scheme sits within the larger City Centre North regeneration area, which encompasses a series of major sites linking the city centre core to the communities of North Manchester. City Centre North can support the continued growth of Manchester, offering new development sites, broadening its offer and helping to open up further opportunities. The transformation of the Group's landholding will therefore not only deliver a new high quality commercial district in its own right, but will also act as a catalyst to support regeneration in the wider area and support the strategic objectives of City Centre North.

Working in partnership with Manchester City Council, The Co-operative has made significant progress in realising this vision. Using its own investment in a New Head Office as the catalyst, the Group is progressing 8 individual development projects that will drive through the transformation of the area, creating a platform for further investment and delivery of the vision set out above.

This report provides an update on the 8 key projects listed below:

- The Co-operative Head Office.
- New Public Realm.
- New Road Network.
- New Utilities Networks.
- City Buildings.
- Hanover and E Block.
- Energy Centre.
- Multi Storey Car Park.

The report also summaries the strategies being applied to make sure that this new City Centre district has a distinct sense of place, drives new job creation and supports local communities. The short term focus on

immediate, essential infrastructure investment and key flagship schemes is therefore matched with a concurrent focus on ensuring sustainable delivery of the whole scheme over the medium term.

Much is being done and there is still much to do, but the partnership between The Co-operative Group, Manchester City Council and the international investment and development community is delivering here and will continue to build a new place for Manchester.

2 Background

- 2.1 As a Manchester based business for the past 150 years, The Co-operative Group is an institution ingrained into the fabric and well being of the City. Using its own occupation as a catalyst for regeneration, coupled with the size of its historic landholdings and recent major land acquisitions, the Group, in partnership with the City Council, now has an unprecedented opportunity to transform this district of the City Centre into a remodelled, enlarged and truly mixed use area.
- 2.2 The Group's landholding now covers a total area of 20 acres and provides approximately 1million sq ft of floorspace across the Listed Estate, including the CIS Tower. It is bounded to the west by Corporation Street, to the north by Angel Street, to the east by Rochdale Road and by the Metrolink line from Victoria Station and the Shudehill Interchange to the south. Dantzic Street crosses the site north/ south while Miller Street (which forms part of the Inner Relief Route) runs east/ west through the site.
- 2.3 The area comprises a group of listed office and former warehouse buildings which are currently home to The Group's head office, several large cleared sites, and other warehouse and commercial buildings, all in need of regeneration.
- 2.4 The Listed Buildings have for many years not been capable of providing the working environment required by The Group. The relocation of The Group to a new major head office building that reflects the best of 21st Century architecture and sustainable design, creates conditions for the reinvention of the late 19th and early 20th Century Listed Buildings, and the need for a comprehensive regeneration framework, embracing all of the land and buildings owned by The Group either side of Miller Street.

3 Strategic Regeneration Initiative

- 3.1 The continuing evolution of the City Centre would be further enhanced by a new district that combines a vibrant mix of commercial activity, residential, recreational amenities and cultural facilities. There is no other readily assembled City Centre landmass in single ownership (or with adjoining landholdings capable of immediate assembly) in Manchester, containing both modern and historic Listed Buildings on this scale and significance. The existing Estate has immense potential for re-use, has the scope to create a heritage attraction of real significance and at the same time immediately adjoins rail, bus and Metrolink transport hubs, not to mention the prime retail / leisure core.
- 3.2 The original Masterplan strategy was set out as a series of themes and commitments that were intended to drive forward the regeneration programme and reflect the shared values and principles of The Co-operative Group and Manchester City Council.
- 3.3 The initiative sets out an approach to the urban regeneration for the area that brings together sound business judgment with a commitment to the highest ethical and sustainability standards. It explained the guiding development principles that will govern the transformation of the area with the priorities of delivering jobs, sustainable growth and opportunity at the forefront of this strategy.
- 3.4 Approved by the City Council in May 2009, this document set the scene for the subsequent approval of The Group's new Head Office and laid the foundations for the transformation of the area that has now commenced.

A Unique Opportunity

- 3.5 Building on a unique heritage, ethical responsibility and cultural vibrancy this Masterplan forges the way to a future where markets are inseparable from the communities they operate in. Weaving the site's unique history with today's communities and tomorrow's business, this project will create a vibrant tapestry that is captivating and inclusive. When diversity, heritage, values and opportunity combine on this scale they create a unique catalyst for sustainable commercial and social renaissance.
- 3.6 The transformation of the buildings, land and local infrastructure across the 20 acre site will unlock enormous potential for this part of the city. But its significance will go well beyond Manchester, as the scheme will create an inspiring European benchmark for responsible and sustainable development.
- 3.7 The intention has always been to move Manchester's regeneration on from the landmark achievements of the past 10 years and into a new phase, where linking environmental leadership with economic growth takes centre stage. The Group has already shown its commitment to this agenda with a BREEAM Outstanding new Head Office. The strategy for the whole area sees this pioneering and innovative approach replicated to deliver something genuinely unique.

- 3.8 The Co-operative Group, as a major UK business, with significant financial resources and an established ethical and socially aware business model, is ideally placed to show how sustainable regeneration can be genuinely achieved. The unique characteristics of the place, with its excellent transport connections, mix of historic buildings and new development sites, and its proximity to both the core of the City Centre and large residential neighbourhoods to the north offers a set of locational and cultural resources that few other sites in the UK could match.
- 3.9 The Co-operative Group, working in partnership with Manchester City Council, will be able to ensure the delivery of a scheme which will not only add to the variety of business, retail, cultural, educational, leisure and residential options in the city, but do so in a way that establishes a new model of socially aware and sustainable regeneration.

Progress Since 2009

- 3.10 Work has continued on the Masterplan for the past 18 months. A series of alternative development options and mixes have been considered to ensure that the potential of the scheme is optimised, and the principles established in the initial strategic framework realised.
- 3.11 The Masterplan reflects a commercially-led, mixed use regeneration scheme of about 3.4 million sq ft (excluding the new Co-operative Group Head Office Building). Of this, 940,000 sq ft is new build office accommodation (though this may increase depending on the time it takes for residential markets to rebound) and 910,000 sq ft is Listed Building refurbishment.
- 3.12 This phased transformation of the Masterplan area is likely to be built out across a 10 to 15 year period, and have a Gross Investment Value of circa £1 billion. Manchester's growth strategy recognises the significant unmet potential that the City has to continue to grow and create more jobs and investment. While the area is a fringe commercial location, the Head Office will be a major new anchor for further commercial investment and an effective supply of new developments across the range of use classes and price points is essential to ensure that this potential can be realised. By delivering a new district, with a range of refurbished and new build accommodation, this scheme can directly support the City's wider growth agenda. The commercial component of the scheme is expected to support the creation of an additional 15,000 jobs for Manchester, with approximately another 1,000 Full Time Equivalent jobs projected for the retail and leisure elements of the scheme. This growth is projected to deliver in excess of £25Million to the annual GVA for Manchester.
- 3.13 The scheme therefore represents one of the most significant mixed use commercial development projects in the United Kingdom, and probably the largest currently under construction outside the South East of the country.
- 3.14 Since the initial document was endorsed by the City Council in May 2009 much progress has been made on a number of fronts including:
- the procurement of planning permission and commencement of development on the Head Office (HO) building;
 - modifications to the highway network;
 - acquisition of a number of third party land interests, including Miller Street car parks, and the Crown and Cushion Public House;
 - conclusion of a Development Agreement with Manchester City Council (MCC);
 - development of a Joint Venture to design, construct and operate a major new Renewable Energy Plant;

- acquisition of City Buildings in Corporation Street;
- preliminary negotiations with car park operators for a new multi-storey car park;
- the launch of an international public realm competition in conjunction with MCC;
- the preparation of a Heritage Assessment across the Listed Estate with English Heritage and the City Council which will guide the sensitive and successful adaptation of the Listed Buildings to ensure their long-term viability;
- the completion of a comprehensive branding strategy for the overall Masterplan concept and the agreement of a marketing programme to commence in 2011; and,
- the appointment of a team to support the delivery of the strategy across the Estate.

3.15 This report updates the 2009 Strategic Regeneration Initiative. It outlines in more detail the Masterplan proposals and how they are now being implemented across 8 key projects that are already underway. It also outlines the medium and longer term strategies for delivery of the scheme and how together these initiatives will deliver against the objectives and aspirations of the May 2009 document.

3.16 This report is intended to help place in context the forthcoming major infrastructure and utility schemes essential to delivering the whole project.

3.17 It also revisits those early principles to ensure that the strategy being applied will ensure the transformation of the area, the creation of new opportunities and achieve sustainable growth and investment for the City.

4 Core Development Objectives

- 4.1 The Co-operative Group's landholdings represent a unique opportunity for commercially-led, mixed use regeneration in a priority City Centre location that is capable of accommodating the city's expansion and diversification. The Masterplan proposals will drive forward the City's competitive offer as a principle destination for inward investment, employment, retail and leisure.
- 4.2 The Masterplan supports the economic development, sustainability and regeneration objectives of Manchester City Council. The City Council and the Group have formalised a partnership approach that will ensure that the City's strategic priorities are integrated into the Masterplan and the delivery of each plot.
- 4.3 The Co-operative Group shares the City Council's aspirations to continue to drive forward the regeneration of the city for the wider benefit of residents across Manchester. This initiative provides the opportunity to maintain the momentum generated by flagship development across the city, while offering something new and innovative.

Place Making

- 4.4 The delivery of the high quality public realm and new infrastructure in the area is a critical component in securing the regeneration of the area and creating the physical conditions under which significant private sector investment can proceed. An International competition has been launched to appoint a team to design the public realm through out the site. The key principles are :
 - The design must improve connectivity between the City Centre and the communities of Collyhurst to the north.
 - To create a cohesive estate and remove existing barriers to connectivity and permeability.
 - The design must make the site permeable, welcoming and identifiable, while complementing the wider cityscape and public realm network.
 - To fully integrate the existing listed estate with the new office building.
 - The design must link effectively with neighbouring areas, knitting the urban fabric together and allowing more effective access to and between the City Centre, the major transport interchanges and the residential neighbourhoods adjoining the sites.
- 4.5 There are two main public squares: one in the Listed Estate and one adjacent to the new head office. Additional public spaces will be created around Arkwright's Mill and investment made in the existing Angel Meadows park to the north. Major new public realm investment will also be required to make sure the site is properly integrated into neighbouring residential areas, Victoria Station, Cathedral Gardens, the Northern Quarter and the Arndale Centre.

- 4.6 Improvements to the local road network are also proposed to reduce the barrier effect of Miller Street, while still maintaining traffic capacity on the Inner Ring Road network.
- 4.7 A strategy for improvements to local utilities networks and power capacity enhancements is also well advanced.
- 4.8 While the physical investment in public realm, new roads and infrastructure is essential, it does not deliver the character of a place. Too often a development strategy can create a technically attractive scheme, with healthy occupancies and high quality spaces, but lacking a genuine sense of distinct identity and a recognisable, local character. The Masterplan strategy has considered in detail how to set the foundations to deliver a sense of place and identity, which is inclusive, unique, welcoming, open and safe.

Job Creation

- 4.9 While many areas of Manchester have been transformed in recent years, pockets of deprivation remain. Some communities in North Manchester have struggled to access employment and other opportunities. The Masterplan's commitment to improving access, connectivity and opportunity for North Manchester's communities will help to move the benefits of regeneration beyond the boundaries of the City Centre.
- 4.10 The unique qualities of the site and the partners involved will enable the scheme to add a new dimension to the existing investment and employment offer in the City Centre.
- 4.11 The Co-operative Group's decision to invest in this part of the City Centre has already secured employment for 3,500 employees through the delivery of the new Head Office. By making such a commitment and by funding the £130 million development costs itself, the Group has underlined its commitment to delivering the Masterplan vision.
- 4.12 The Co-operative Group is a partner with Manchester City Council in the City's Academy programme. The Co-operative Academy of Manchester in Higher Blackley, which opened in September 2010 and focuses on finance and business, will be encouraged to involve students in work placements and case studies from the project as the phases are realised. The Group is also in the process of formalising a partnership with the University of Manchester to create a mechanism for sharing knowledge and encouraging innovation in tertiary education and research and development. This linkage has the potential to directly benefit knowledge industries based in The Corridor area in particular, but also Manchester as a whole.

Supporting Communities

- 4.13 The Masterplan's commitment to invest in quality, innovation and opportunity will deliver a vibrant new City Centre quarter, with a unique sense of place. By combining a respect for its existing heritage with a commitment to create a new place based on universal values and delivered under a high ethical standard, the potential of this area will be realised. The site will be a catalyst for wider regeneration and benefits will flow to communities throughout the city.
- 4.14 All projects are assessed in relation to the potential community benefits that can be accrued and integrated into the proposals. More details are provided later on specific schemes for transport and energy that could deliver significant community benefits in North Manchester.

- 4.15 The location of the Estate in the City Centre, but also at the edge of North Manchester, invests the area with a powerful role in restructuring the City Centre's relationship with its adjacent inner city residential communities. The planned investment in new transport infrastructure and public realm will physically reconnect the City Centre with surrounding communities. Making these physical and training & skills connections will create significant economic, social and environmental benefits for adjoining communities, and more widely for those who live, work and enjoy visiting Manchester City Centre.
- 4.16 Miller Street acts as a barrier between the northern and southern parts of the Estate and contributes to the separation of North Manchester communities from the City Centre. By transforming the road into a two-lane, westbound boulevard, and adapting Corporation Street and Angel Street to accommodate east bound traffic to Rochdale Road; the perception of a barrier will be reduced. Pedestrian movement across the road and linkages to the main transport hubs at Victoria Station and Shudehill from North of the City Centre will be made easier.
- 4.17 Overcoming the severance of the Estate by adapting Miller Street and including it within a world class public realm, is a fundamental prerequisite for creating the conditions for regeneration and economic growth. Without these road alterations, the dynamics for site change from being able to attract quality end users who will bring excellent job creation, to a second tier location which could struggle to bring the jobs to the City Centre that are needed to drive further growth.

5 The Masterplan 2010

5.1 The table below indicates the broad range and scale of land uses that form the basis of the scheme. The scheme is programmed to be built out over a 10 - 15 year period and have a Gross Investment Value of circa £1 Billion.

Use Class	Gross Area (approx.)
Offices (New Build)*	1 million sq ft
Offices (Refurb)**	1 million sq ft
Residential***	1 million sq ft
Retail / Leisure	0.2 million sq ft
Hotel	0.2 million sq ft
Total	3.4 million sq ft
Car Parking	1,300 spaces

*Excluding Head Office
 **Including (extended) CIS Tower
 ***Including new build extensions to Listed Buildings

Creating a Sense of Place

5.2 As a new district, the Masterplan area needs to be quickly established as a unique destination, complementary to other established areas in the city centre, while clearly offering something different and attractive. The site has inherent strengths: its proximity to multiple transport hubs, its proximity to major retail and leisure centres and its historic built character. These are strong building blocks that help to establish the fundamental DNA of the place. But a clear strategy is needed to bring life to the site and ensure that the positioning of the offer (not just in terms of built uses, but also culture, experience and play) maximises the area’s profile and brings benefits to both the site and the city centre.

Vibrant Streets and Active Building Frontages

- 5.3 The framework area, linked effectively to the retail core, would provide an excellent opportunity to accommodate an expanded retail, leisure and cultural offer to support the destination role of the area. This could take the form of niche retail located primarily in the Listed Estate, combined with more traditional (multiple) retailing and a “large space” offer more focused at the public transport interchange at Shudehill. We need to establish the optimum range, location and target customer demographic that would deliver the type of retail mix best suited to the site and the potential of the area.
- 5.4 The forthcoming investment in the National Football Museum (at the former Urbis) will help to increase the general level of footfall in the area. Coupled with the continued investment in the cultural and historic assets of Manchester Cathedral and Chetham’s School of Music, the potential of the wider area is now being realised. Regeneration of the Co-operative Estate will bring an added dimension to the area, with complementary uses and its own unique feel

Look & Feel

- 5.5 The approved branding and marketing strategy will further establish the tone and character of the area, promoting the new quarter to Manchester, and Manchester to inward investors. Early engagement with local communities is essential to creating an attractive sense of place and character. A series of community events and linkages with established city-wide initiatives will help to set the area in the public conscious. Animating the spaces between the buildings with activity and delivering attractive ground floor uses early will all help to encourage local communities and visitors to the City Centre to spend time in the new district and enjoy what it will offer. A signage strategy will also be devised to create a consistent identity across the site and ensure that directional advice and advertisements are properly integrated into the design of the space.

Linkages to Public Transport Interchanges

- 5.6 The Masterplan area lies at the North West quarter of the City Centre, and immediately adjoins the regional centre’s prime shopping area, Victoria Station, the Arena and the Cathedral Quarter, where major investment is underway at Chetham’s School in a new concert venue.
- 5.7 Victoria Station, which is due to undergo substantial refurbishment in 2013, and Shudehill Interchange act as gateway to both the City Centre and the Masterplan site.
- 5.8 The public realm design strategy, due to be completed in 2011, will both effectively link the Masterplan site to these major transport, cultural and leisure hubs nearby, while also ensuring that visitors appreciate they are entering and exiting a distinct city district.

Character Areas

The plan below shows how the site can be distinguished into four distinct areas, each with their own character and feel.



Major Office Zone

- 5.9 Importantly, by being able to offer both new build and refurbishment options, the Masterplan can appeal to the broadest range of occupier requirements at any one time.
- 5.10 For the area north of Miller Street, the Masterplan provides to have as its centerpiece a high quality civic square around which a “down-town” commercial area will evolve. The Co-operative Group’s new Head Office is the first phase to be delivered in this zone, with the new main public square and multi storey car park due to commence within 18 months.
- 5.11 The open nature of this part of the site, unhindered by the need for major demolitions, third party rights to light, power capacity constraints or significant site acquisition negotiations, makes it ideally suited to quickly deliver large office floorplates. Such sites are rare in any city centre. The proximity of the site to the major transport hubs of Victoria and Shudehill add an extra dimension to offer prospective new occupiers, as the site has direct connections to the Greater Manchester hinterland and the skills and employment resources it offers.

- 5.12 Due to its relative rarity, care must be taken in managing the realisation of this asset to ensure that it delivers the large office floorplates occupiers need. Opportunistic development that breaks plots into less deliverable parts or forces densities that constrain adjacent plots will need to be actively discouraged.
- 5.13 For this Major Office Zone to be properly connected to the City Centre and be a truly competitive option for UK and global relocations, it is essential to modify the existing Inner Ring Road layout, improving connectivity within the site and with the City Centre and adjoining transport hubs, shopping, leisure and employment locations.
- 5.14 Although this is a fringe location where the commercial product will complement the offer in the Central Business District, there is the opportunity to create a product range capable of meeting the occupational needs of a range of businesses with a pricing capacity to deliver success. The softening of the psychological and physical barrier will allow for the creation of a Grade A office cluster characterised by large floorplates (15,000+ sq ft) and high quality specification. With access to new public realm and existing parkland areas, supported by a new utilities network wholly powered by green energy, connected to a range of transportation and access options, while also linked to the core of the City Centre and the dynamic refurbished Listed Estate, this area will offer a unique combination of attractions. The Major Office Zone will therefore provide a new option into the Manchester and UK market, with a combination of assets and attractions not delivered anywhere else in the city.
- 5.15 Importantly, the framework design also provides for a great deal of flexibility - scheme layout is not fixed and can evolve over time. Within certain known constraints (i.e. the need to protect the larger floorplate plots), this will allow phases of development to respond to the ever changing requirements of tenants/occupiers/investors as well as general market fluctuations; densities of individual plots and the footprints of buildings can be adjusted without significant impact on the design or delivery of the area as a whole.
- 5.16 The fundamentals of the site are very strong: largely unconstrained and very close to major transport hubs providing excellent connectivity to the vast employee resource of Greater Manchester. Detailed work is on-going to assess the range of services needed to offer an even more attractive package for employers (e.g. effective management contracts, discounted power prices and dedicated access to green energy). When combined, the commercial offer of this site will be compelling with a pricing capacity to ensure investment and success. This flexibility is complimented further by the associated offer provided by the refurbished Listed Estate.

The Listed Estate

- 5.17 The Group's buildings have huge potential. They define an entire city quarter; they are one of the most prominent national examples of one company's presence in any major city. Some of the buildings that may be outmoded for the needs of their present occupier are beautiful buildings in their own right, and quite capable of many successful uses that would significantly alter perception and activities in this part of the City.
- 5.18 This collection of Listed Buildings will be sensitively and successfully adapted to ensure their long-term viability. A team has been appointed to complete an audit of the Listed Estate and identify the scale of refurbishment needed and opportunities available to transform some buildings and restore others in a manner that maintains the integrity of these assets while still enabling new occupation and complementary functions.

- 5.19 Corporation Street and Dantzic Street provide the main thoroughfare linking Manchester's prime retail/leisure pitch with Victoria Station and the Inner Ring Road. However, pedestrian levels tail off dramatically as you move northwards and the present lack of permeability through the Listed Estate may deter people from venturing into the heart of the future scheme. Unaddressed, this could render the new major office zone 'peripheral' in terms of the City Centre, in turn reducing demand and leading to lower levels of vitality in the retail and leisure offer with the site ultimately failing to connect the City Centre with adjoining residential neighborhoods in the north.
- 5.20 In opening up access points through Hanover Building and E Block initially and through Federation and New Century hall subsequently, the Masterplan seeks to create a series of 'front doors' which will act as routes to allow people to explore the area and access one of the new public squares.
- 5.21 Branching off Corporation Street, these desire lines will form the main pedestrian route from the south whilst ensuring strong links with the new Victoria Station scheme to the west. Such configuration will generate increased footfall and demand for ground floor units, cementing the Listed Estate as the focus for high end food, beverage and consumer retail/leisure potentially anchored by a new independent market in an environment that cannot be rivaled elsewhere in the City Centre. This area will offer users, customers and residents a very distinct experience, based on the exploration of a series of intimate spaces, with a range of independent and high end retail, restaurant and leisure uses
- 5.22 The creation of such a distinct and aspirational environment should drive high levels of demand from those corporate and SME occupiers that prefer to lease space in buildings of character, with smaller floorplates, at lower prices (£16 - £20 per sq ft as opposed to £25 - £30 per sq ft) and on more flexible lease terms than can be offered by new build solutions.
- 5.23 Equally, though planning and heritage issues draw out the pre-construction programme, speed to market credentials for high quality refurbishments are beneficial in that product can be delivered in approximately half the time it takes to construct a new office building.
- 5.24 The Listed Estate may be particularly attractive to corporate occupiers, and SMEs, including the creative sector, who are aligned with and share the core values of the Co-operative and Manchester City Council, are attracted by the unique sense of place and character of the historic buildings and new vibrant public realm, and for whom this area would provide an effective City Centre base.
- 5.25 The Group's acquisition of City Buildings, a 15,000 sq ft Grade II listed building extends the listed estate across Corporation Street towards Victoria Station. City Buildings will be sensitivity refurbished to deliver a new boutique hotel and ancillary uses. This site will act as a key gateway to the wider framework area. The transformation of City Buildings will contribute to the delivery of development in surrounding areas such as that proposed for Victoria Station.

Shudehill North

- 5.26 The Masterplan extends to Shudehill, an area which despite its proximity to the Arndale Centre and the Northern Quarter, remains in need of investment in regeneration. The increase in pedestrian movement flowing from the transformation of public realm and the injection of new uses and new occupiers will lift Shudehill and create the conditions for its regeneration.
- 5.27 While this area is not as central to the creation of the overall sense of place, which will be driven by the success of the refurbishment of the Listed Estate and the major New Office Zone, it still plays an important role in linking the site to Shudehill transport interchange and the Northern Quarter. A strategy will therefore be developed to create these effective linkages and ensure that this area can offer a complementary experience.

Angel Meadows

- 5.28 Angel Meadows, an important public park with a history that connects it directly to the creation of modern Manchester, will be connected to the new Major Office Zone which will increase activity throughout the day as a route to and from the City Centre from residential communities, and a place for recreation and play.
- 5.29 The first phase of public realm works will include a specific set of improvements to Angel Meadows, previously identified by Manchester City Council in a design brief for the area. Plots to the west of the park are allocated for new residential buildings, with an emphasis on providing accommodation suitable for young families. There is real potential to deliver new homes in a distinct, green, and pleasant urban environment.

6 Delivery Mechanisms

Strategic Partner

- 6.1 A Development Agreement has been signed with Manchester City Council that underlines the close working relationship established between the Council and the Group, which will underpin the delivery of the strategic vision for the area. The City Council brings a vast well of knowledge and experience of delivering schemes in Manchester, acting as an effective facilitator of private sector investment and development. This partnership will ensure that key components of the framework can be brought forward in a way that will capture major opportunities as they arise.

Development Partners

- 6.2 A range of delivery options are being explored at a strategic level across the whole site. By funding the new head office from its own reserves, the Co-operative Group has demonstrated its willingness to be directly involved in delivering new buildings on the Estate and accepting the development risks that go with such an approach. The Group in partnership with Manchester City Council will remain in control of delivering the vision and themes outlined in the May 2009 vision document.
- 6.3 A range of partnership options will now be assessed to identify the best mechanisms to promote delivery, optimise value and deliver the strategic objectives for the site.

7 Initial Development Phases (2009 – 2012)

Project 1: The Co-operative Head Office

- 7.1 The Co-operative Group's new Head Office is the first phase of the Masterplan. Already on site and scheduled to be completed by August 2012, this building will be the first BREEAM Outstanding office building outside London and will uniquely also have a DEC A Energy certificate. The building will have its own Combined Heat and Power (CHP) plant, running on plant oil, in the basement. This will provide power for the building and also export power and heat onto the local network for use in other buildings.
- 7.2 The Group will invest £130 Million in delivering the new building, in addition to the costs of site acquisitions to date. The new Head Office will be home to The Co-operative family of businesses and represents both the business' commitment to the city and its commitment to the site. During construction, 1 in 12 of all employees on site will be full time apprentices and already 65% of the total employment workforce on site lives in Greater Manchester.

Project 2: New Public Realm

- 7.3 The public realm strategy is the key intervention in defining a new 'place' within the City, overcoming barriers to movement and transforming the environment. The public realm will enhance the setting of the Listed Buildings and create a highly attractive setting for new buildings to the north of Miller Street, including the world class sustainable architecture of the Head Office.
- 7.4 While place making requires a far more complex mix of elements than simply new squares, roads and utilities, great places cannot be realised without high quality spaces. Working in partnership with Manchester City Council, The Group has launched an International Competition for a design team to create a series of new spaces across the site. The first new public realm square will be established in the Major New Office Zone, connecting Miller Street to Angel Street and framing the new Co-operative Head Office, the two main plots to the west between Dantzic Street and Corporation Street and the Arkwright's Mill complex to the east. This new square will be completed in the second half of 2012.
- 7.5 The next phase, which will commence in late 2011/early 2012, will be focussed around the Listed Estate, coupled with the refurbishment work scheduled for Hanover and E Block and the new hotel scheme in City Buildings (see below). While different in style and tone, as the new square will need to reference the Listed Estate and intimacy of the new spaces that will be created through the buildings, it will be linked to the wider Estate and adjoining areas to connect the site to the City Centre and beyond.
- 7.6 Funding is already in place to deliver these two main elements and the linkages needed to connect the site and ensure the benefits of this investment cascade beyond the Masterplan's boundary.

Project 3: New Road Network

- 7.7 The 2009 Strategic Regeneration Initiative highlighted the need to deliver new transport solutions for Miller Street, Corporation Street and Dantzic Street. Under the headings 'Removing Barriers', 'Reclaiming Streets' and 'Improving Linkages', the document set out the clear priority of reducing the barrier effect of Miller Street to improve connections between the city centre and communities in North Manchester, while also creating an integrated site, capable of delivering the transformation the area requires.
- 7.8 Work has been undertaken to complete the detailed design of a new road network that delivers the transformation needed to reconnect the wider area with the City Centre, while protecting the essential function of the Inner Ring Road as a valuable route to access the City Centre and thereby support growth.
- 7.9 This new solution enables Miller Street to be narrowed and significant additional investment will be directed to improving Angel Street and providing extensive traffic calming measures to protect the residential character of the neighbourhood north of Angel Street. An indicative design for the new road improvements is included in Appendix B.
- 7.10 It is essential that the experience of pedestrians moving through the site is enhanced, but it is also important that the driver experience is positive. Miller Street can act as a major marketing opportunity for the site and Manchester, with drivers directly experiencing this exemplar regeneration scheme. The boundary treatments, public realm interfaces and use of vegetation, signage and other street furniture will all need to reinforce the key messages of the scheme.
- 7.11 A planning application will be submitted for the Roadworks in early 2011 and, with funding already in place, the works can commence later next year and will be completed in 2012. The delivery of this road is central to the creation of the Masterplan and the realisation of the vision to deliver a new city district.
- 7.12 The IRR is a strategic constraint to the future growth and regeneration of the City Centre and communities which adjoin the City Centre. The new design proposals will deliver a significant improvement in the local environment, creating linkages between the city centre and communities in North Manchester, improving connectivity to the existing transport interchanges at Victoria and Shudehill, integrating the site to support delivery and growth of the city centre, while maintaining the core function and capacity of the IRR.

Project 4: New Utilities Networks

- 7.13 The Masterplan site has a reserved capacity of electrical power from the National Grid network sufficient to support the quantum of new development the site will deliver. Given the existing network constraints in the area, this would be a significant advantage if the scheme was depending on a traditional approach to utilities provision.
- 7.14 The Masterplan strategy approved in May 2009 has however always been predicated on the creation of a new utilities network, which would be powered by renewable energy, include a dedicated renewable heat option, fibre broadband networks and sustainable drainage systems for grey water recycling.

- 7.15 In order to deliver a new, integrated and advanced utilities system that will be resilient to climate change adaptation and flexible for the changing requirements of the site as it develops; the Group has appointed an Independent Distributed Network Operator (IDNO) to design a new utilities network that will meet the strategic objectives for the site. This approach, pioneered on other major sites in the South East, can deliver significant costs savings, a better quality of network and a generally more sustainable solution. Design work is on-going and due to be completed in line with the timetable for delivering the new road improvements. This will ensure that disruption to the local road network is minimised during the construction period of the whole site and that savings are generated by avoiding abortive utility works.

Project 5: City Buildings

- 7.16 In late 2008 the Group acquired City Buildings, a 15,000 sq ft Grade II Listed Building and development plot. The building is located to the rear of Urbis and adjacent to the side entrance/exit of Victoria Station. As a Gateway to the Masterplan, and adjacent to the Victoria Station regeneration site, it was essential that the building was first protected from further deterioration (having been vacant for many years) and then returned to a new, viable and attractive use.
- 7.17 In order to deliver an effective scheme that fits properly into the urban grain of the area, adjacent land owned by Greater Manchester Passenger Transport Executive (GMPTe) is required to deliver a comprehensive redevelopment.
- 7.18 The first priority has been to determine the route of the second city tram crossing to ensure that the new development would not in any way impact on that key strategic infrastructure commitment. GMPTe has supported that work and an agreed route has been identified allowing for a sale of the remaining land.
- 7.19 Discussions are also continuing with Network Rail to support their regeneration initiative for Victoria Station and ensure that, as the refurbishment and remodelling options for the station emerge, they take advantage of the potential to integrate both major sites.
- 7.20 Advanced discussions are taking place to deliver a hotel. Funding is in place to deliver the scheme and, following the completion of background technical assessment of the Listed Building, engagement will commence with English Heritage and Manchester City Council to agree the best way to bring the building back into viable long term use. Recognition of the site's historic value and the need to take account of the range of architectural styles in the area will ensure the final proposal is a high quality design that will positively contribute to the regeneration of both major sites.

Project 6: Hanover and E Block

- 7.21 The Listed Estate provides for an unrivalled opportunity to deliver high quality refurbished office and retail / leisure accommodation.
- 7.22 Whilst the complex of buildings affords great potential, they also embody the site's greatest exposure to risk. In late 2012, the Group will vacate c. 460,000 sq ft (net lettable) of in situ accommodation as 3,500 employees transfer into the new Head Office facility.
- 7.23 The majority, if not all, of the space vacated within the Listed Estate will be virtually unlettable in its existing condition, other than perhaps to fulfil short term office requirements (at budget rents) or for emergency storage space.

- 7.24 It is essential that the Listed Estate is not left unoccupied for any longer than necessary without a clear plan as to its future. Once the new Head Office is operational, a neglected Listed Estate will quickly form a barrier between the City Centre and the sites north of Miller Street. It would also have a detrimental impact on capital values and the phasing programme. Similarly, holding costs (maintenance, security, utilities etc.) will quickly escalate.
- 7.25 For these reasons a proactive strategy is being actioned and ways to accelerate the refurbishment of accommodation in Hanover Building and E Block, which is anticipated to provide 105,000 sq.ft. of commercial space in order to phase the release of space within the Listed Building quadrant is being explored. This may require a two stage move of Co-operative staff, but the Group recognises the need to maintain the momentum already achieved by bringing forward an example of high quality refurbished office/ retail/ leisure stock to complement the example the new Head office across Miller Street. Alongside the City Building redevelopment, early activity within the Listed Estate will increase market awareness/attractiveness and evidence The Group's commitment and belief in the scheme. Delivery of Hanover and E Block will be linked to the creation of the new Listed Estate square, starting the place making strategy for this character area.
- 7.26 Various funding options are available to deliver this plot, but no final decision has yet been made. Following further market testing, a funding strategy will be agreed, allowing refurbishment works to commence thereafter (once the required consents are secured).

Project 7: Energy Centre

- 7.27 From inception it was envisaged that the Masterplan scheme would differentiate itself through the provision of "green" energy infrastructure and the utilisation of leading sustainable design. The Co-operative Group has an established reputation as a major developer, funder and advocate of renewable energy and brings this expertise to this site.
- 7.28 The Group is nearing completion of a Joint Venture Agreement to deliver the scheme using a wood fuelled Combined Heat and Power system. A 5 acre site located behind Manchester Fort Retail Park in Cheetham Hill, about 1 mile from the Masterplan, has been identified as the best location for the project. A conditional contract for purchase (subject to Planning Permission being granted) is nearing completion with the site developer.
- 7.29 The Plant has a generating capacity of 17MW and will generate electricity equivalent to the demands of 35,000 homes. By connecting the site into the local power network, the new plant will reinforce the network at a point where there is significant existing constraint. This will in turn open up additional capacity that will support the future development of other major sites nearby (Victoria Station, Boddingtons etc) which could have otherwise experienced network problems.
- 7.30 The plant is initially designed to provide power into the local electricity network, but the Group and Manchester City Council are working together to investigate the opportunities to link the project into a heat network for north Manchester, thereby extending the environmental and cost savings benefits directly into local communities. It will also host an education centre, which will be available to schools in Manchester. The Co-operative Group already has a successful series of education centres focussing on energy, farming and waste, and this new site will bring these together into an integrated resource.

Project 8: Multi-Storey Car Park

- 7.31 The largest single use of the Masterplan site has been, up until commencement on the new Head Office, car parking. In 2009, there were over 1,300 car parking spaces on the site. These were used by Co-operative Group employees, but also provided a valuable parking resource to support shopping in the City Centre.
- 7.32 The final Masterplan scheme will have approximately four times as much floorspace as the existing buildings. The transport strategy proposes to maintain parking provision on the site at approximately the same level of 2009. Approximately half of those spaces will be dedicated to the office, residential and leisure destinations to be created across the Estate. The other half will be public parking, to support the needs of visitors and in recognition of the continued importance of shopper parking in the area to the effective operation of City Centre retailers.
- 7.33 Using the initiatives that are being piloted in the Co-operative's new Head office, the scheme will encourage high use of alternative sustainable transport modes, promoting better use of train and tram connections from Victoria Station and tram and bus connections from the Shudehill Interchange, both of which are adjacent to the Masterplan site.
- 7.34 The public parking element of the site will be provided in a new multi storey car park (MSCP), to be let to a specialist operator. There is strong market interest from both investors and operators in delivering a MSCP on the site and three operators have table specific development proposals to the Group.
- 7.35 Technical work has already been concluded with the Council to identify the best locations for a new car park, in the north western quadrant of the Major New Office Zone and an application is expected to be submitted in 2011, following approval of the new road proposals for the area, which will determine the actual boundary of the relevant plot and the optimum access point off the road network.

8 Later Development Phases

Major New Office Zone

- 8.1 With the Co-operative Group Head Office on site, the design team competition for the new main square in progress, the new road network design completed and ready for planning submission, a new utilities strategy likely to be implemented concurrent with the road works and a multi storey car park developer agreement due in early 2011, there is a lot already happening in the New Office Zone.

Arkwright's Mill

- 8.2 Over one third of the New Office Zone is located east of the proposed new main square, between the square and Rochdale Road. Development of this site is constrained by the industrial archaeology remains of Arkwright's Mill, situated under the existing car park, and the proximity of residential properties on Angel Street. There is significant potential in the Arkwright's Mill resource to act as a focal point for a further area of public realm, or as the centrepiece of an enclosed atrium space in a mixed use complex.
- 8.3 Members of the appointed architect's panel will be invited to present submissions for the development of this space. Visits have been arranged to similar precedent sites and initial discussions have been held with potential investors and developers to ascertain their views on the potential of this sub-area. A finalised strategy for Arkwright's Mill will be completed by the end of 2011, with subsequent development brought forward soon thereafter.

The Listed Estate

- 8.4 The Listed Estate provides for an unrivalled opportunity to deliver high quality refurbished office and retail / leisure accommodation. In contrast to the new build opportunities available north of Miller Street; the Listed Estate affords a collection of in situ character buildings, which, due to their smaller floorplates and heritage constraints, will appeal to a different occupier base.
- 8.5 By bringing forward the refurbishment of Hanover and E Block, the restoration of City Buildings and the construction of a new public square, the regeneration of the Listed Estate will enjoy a sense of momentum and achieve critical mass early in the development. These major early moves will be complimented by the roll out of the agreed ground floor strategy and the potential introduction of short term occupancy leases to incentivise smaller businesses to move into this part of the Estate as a sequential refurbishment of the others buildings continue. Phasing the refurbishment of the Listed Buildings will require detailed planning to ensure that each property can be refurbished with effective access for contractors etc, while allowing adjacent building to function and the new areas of public realm to be laid out early and protected from damage.

- 8.6 Using the advisors appointed to assess the Listed Buildings, the Masterplan strategy will establish a set of agreed development parameters for every Listed Building with English Heritage and Manchester City Council by the end of 2011. This integrated refurbishment agreement will give certainty to investors and confidence that all the subject properties will be regenerated in a complementary manner.
- 8.7 The type of occupiers that will be attracted to the Listed Estate are most likely to be small/ medium sized business, more footloose and entrepreneurial, so the Listed Estate strategy will make sure that there is a consistent level of available space, under a range of rental and tenure options underpinned by a vibrant and dynamic ground floor retail, restaurant and leisure offer.

Shudehill North

- 8.8 The key decision in this area will be based on the finalisation of a strategy for the CIS Tower, agreement on the form, scale and location for new, dedicated car parking for the Tower and potentially the wider Listed Estate and the provision of a new link road connecting the Printworks car park to Miller Street. These initiatives will determine the layout for any remaining plots in this area and the timetable for delivery of additional floorspace.

Angel Meadows

- 8.9 Given the present market conditions for residential development, the strategy assumes that these sites will not be developed until the later stages of the Masterplan delivery programme. However, due to the self contained nature of the plots and their location at the northern edge of the site, this area can be brought forward independently as market demand aligns with the strategy for delivering family homes in this City Centre location.

9 Conclusions

- 9.1 This report provides an update on progress made by the Co-operative Group, supported by Manchester City Council, to realise the vision established for this area in May 2009.
- 9.2 While market conditions remain challenging, we are confident that the investment being delivered over the next 2 years will help to set the foundations for the scheme and create the momentum to deliver further major investment, job opportunities and a new high quality commercial district with a clear identity and sense of place.