REPORT OF
THE STRATEGIC DIRECTOR PLACE

TO THE GROWTH & PROSPERITY SCRUTINY PANEL

ON 25TH SEPTEMBER 2017

Greengate & Chapel Street Update

EXECUTIVE SUMMARY:

The purpose of this report is to brief members of the Growth & Prosperity Scrutiny Panel on City Centre Salford development progress in the Greengate and Chapel Street areas.

The report focuses on City Centre Salford which encompasses, not only Chapel Street and Greengate, but also the areas of Chapel Wharf, New Bailey and Middlewood. The report sets the context for the development that has taken place and will continue to take place in the area and explains what has been achieved to date in relation to investment, quantums of development and how developments are support the ‘placemaking agenda’, improved connectivity and the provision of new public realm.

In addition to development, there is also significant investment and planned investment in new infrastructure within the area and the report summarises these projects.

The report goes on to present ideas on City Council emerging projects aimed at joining up what developers are doing through:

- Improving connectivity to and within City Centre Salford and the wider City Centre, to support a growing workforce by providing an attractive and navigable environment.
- Providing high quality space for both expanding and incoming businesses to the city.
- Creating a great place to live and addressing the need for green environments in the city.

This includes the cost, what funding the council already has in place, where further funding is needed, where this might come from and likely timescales for delivering these projects.
Finally, the report looks to the future of development in the area as the city centre grows and where this might take place. Members should also note that a presentation will be provided to the panel which will provide further details on development progress.

1. **Introduction**

At the meeting of the Growth and Prosperity Scrutiny Panel on the 24th July 2017 it was agreed that a report on development progress in Greengate and Chapel Street would be brought forward to the next meeting.

2. **Background**

2.1 In 2005, Salford was branded by Channel 4 housing experts as one of the ten worst places to live in the UK. In that same year the Central Salford Urban Regeneration Company prepared a vision and regeneration framework for the area setting out a vision for transformational change. Against that background, significant growth and investment has taken place and this report provides a summary of that development progress.

2.2 Greengate and Chapel Street are located within the broader City Centre Salford area, itself a part of the wider Regional Centre for the Greater Manchester conurbation. As such, City Centre Salford presented an opportunity to build on the successful growth of the wider City Centre, growing levels of investor confidence in Greater Manchester and high occupier demand to support both a growing economy and workforce. There is now clear evidence of change on the ground and a robust programme of development ready to drive further change to support the growth of the City and the wider sub-region.

2.3 The priority for the area is to build a scale of population and employment provision that will provide the confidence for the private sector to invest, address shortfalls in City Centre (across Salford and Manchester) residential stock supply relative to demand and in doing so support the achievement of wider ambitions around creating a great place to live, work and visit.

2.4 City Centre Salford presents an opportunity to act as a hinterland to the core of Manchester City Centre, doing things that the area over the river cannot do due to space limitations and price pressures. The vision for City Centre Salford to 2040 is for it to become:

   ‘A distinctive place to live, work and visit, proud to be more Brooklyn than Manhattan, where people and businesses, from near and far, can find the space they need to thrive, prosper, create and connect’.

The Greengate and Chapel Street areas within City Centre Salford are key elements in achieving this vision.
2.5 City Centre Salford (including Greengate and Chapel Street) will therefore play a central role in achieving the growth of the Regional Centre, benefiting from its proximity to Manchester City Centre, but offering a distinctive offer which reflects Salford’s heritage, assets and ambitions.

3. Development Progress

3.1 The following section of this report provides a brief overview of the main developers, partners and changing areas within the City Centre Salford area.

**English Cities Fund (ECF)**

3.2 Salford City Council entered into an Overarching Development Agreement for a term of 20 years with English Cities Fund for the comprehensive regeneration of Salford Central from 15th December 2006. Over the past 10 years we have worked with them to confirm the Compulsory Purchase Order and assemble sites to allow the individual plots to be developed and an acquisition fund was set up where the Council acquired properties on behalf of ECF, the costs of which will be repaid when the schemes are brought forward.

3.3 In addition, the Council took a 25 year headlease (13/06/2016) on One New Bailey which allowed ECF to secure funding for the development and we are currently in negotiations for a similar arrangement on 2 New Bailey Square which is due to start on site towards the end of the year.

3.4 The regeneration initiative comprises two distinct areas, Chapel Street and the New Bailey commercial quarter. When complete, the £650m scheme will create around 11,000 new jobs, 220,000 square metres of commercial space, 849 new homes and 390 hotel rooms.

3.5 The scheme is also delivering new public spaces, improved pedestrian and cycling routes linking Salford University through a revitalised Chapel Street to the City Centre and improved sections of riverside walkway. In addition, ECF are making a funding contribution towards the cost of the New Bailey Gateway scheme which is explained later in this report.

**New Bailey Commercial Quarter**

3.6 The New Bailey commercial quarter is supporting the westward expansion of the city centre Central Business District over the River Irwell and into Salford for the first time. The first phase of development by English Cities Fund is now complete (One New Bailey office accommodation, New Bailey Multi-storey car park, Premier Inn and residential accommodation on Stanley Street) other phases of development are underway (Two New Bailey) and further phases of development are planned over the next 4 years.
Chapel Street

3.7 The Chapel Street development is supporting the further expansion of the city centre along the City’s historic High Street and connecting with the University of Salford and the Crescent. Development at Vimto Gardens (83 apartments and 14 townhouse) and Timekeepers Square (36 two, three and four bedroom houses) is now complete with other development at Carpino Place (22 three and four bedroom houses) due to complete later in 2017. Further phases of development are planned over the next 4 to 5 years.

Select Property Group - Riverside & Riverview

3.8 Select Property Group have commenced development at Riverside and Riverview adjacent New Bailey Street (506 residential units across two 16 storey and 33 storey towers). This development is a phased construction with Riverview expected to complete in 2020. The scheme includes improved public realm and re-instating the riverside walkway. In addition, the planning approval also includes contributions via S106 towards the cost of the New Bailey Gateway scheme.

Select Property Group - City Suites & Embankment West

3.9 City Suites is a recently completed mixed use scheme delivering 241 units operating as an apart/hotel and serviced residential accommodation. The development has proved successful and Select are looking to move forward with their next phase of development adjacent to City Suites which will include the demolition of the west podium and construction of a further 500 residential units.

Dandara

3.10 The Dandara residential schemes at Chapel Wharf (995 residential units) occupies the space between Chapel Street and The Lowry Hotel, is currently under construction. The scheme involves a phased construction programme with completion of the final block planned for the end of 2019. The development includes new public realm within the site which will enhance pedestrian access to the River Irwell and the Lowry Hotel. The approval also includes contributions via S106 towards the proposed Chapel Street East project.

UK Land and Property

3.11 Planning approval has recently been granted for 375 apartments at Gore Street. The developer is preparing to commence construction later in the year with completion planned for Autumn 2019. The scheme includes an area of new public realm within the development which will create improved connections between the Trinity Community and the City Centre. The planning approval also includes contributions via S106 towards improvements to Gore Street itself and the junction of Chapel Street and Trinity Way and affordable housing.
Scarborough – Middlewood Locks

3.12 Scarborough Group are well underway with the redevelopment of the 25 acre Middlewood Locks scheme which will see the delivery of 2,215 new residential properties and 900,000sq ft of commercial space in a new and vibrant waterside neighbourhood. Phase 1 comprising 571 apartments is at an advance stage of construction and is due to complete in November 2018. The show home and sales centre has recently opened on site and the first release of 85 properties have all been sold. The first residents are expected to take occupation in spring 2018.

3.13 The City Council is currently working with the developer on the delivery of Phase 2 which will include a new 196,000 sq ft of Grade A office building.

Ask Developments

3.14 Ask Developments have completed the development of Embankment 101 that has delivered approximately 165,000 square foot of Grade A office space together with a new multi-story car park. The building is now let and occupied by Swinton Insurance.

3.15 Planning permission has already been granted for the adjoining building (100 Embankment) which comprises further 160,000 square feet of Grade A office space by Ask. This development is due to commence on site later this year/early next year and scheduled for completion 2020 and is funded by the City Council.

The development adjacent to the now completed and fully let 101 Embankment. The Council will enter into a funding agreement which will cover the building works, professional fees, land acquisition, podium deck construction, letting and marketing costs and legal fees. Funds will be transferred to the developer in accordance with an agreed cash flow and monthly cap. The development itself will be covered by a Development Management Agreement between the Council and ASK obliging ASK to develop the building, ensure acceptable warranties are in place both from the professional team and contractor and that the building is marketed to attract tenants. In entering into this agreement the City Council has gone through the appropriate due diligence processes, taking advice from Letting Agents etc and have concluded that this is a good investment and will assist in leading to the Council becoming self sustaining.

Renaker Build

3.16 Renaker were one of the first developers to gather momentum in the Greengate area following the economic downturn, entering the market early to deliver No1 Greengate a high density scheme delivering almost 500 units. Since then Renaker have continued extensive investment in the area and are currently on site delivering the 44 storey Exchange Court producing a further
349 units which is programmed to complete in 2019. In accordance with the regeneration framework for Greengate both schemes have contributed via S106 to the provision of a new Greengate Park.

3.17 Renaker have continued confidence in the locality, with significant land holdings. They are currently actively engaging and planning the next phases of development in the area. They expect to deliver a further 1,500 units over 3 key sites phased over the next five years to the end of 2022, with potential further sites beyond this. Developments in this area will be required to contribute towards a new park, boulevard, market cross and supporting the reuse of the former Collier Street baths.

A refresh of the current Regeneration Framework has been commissioned and is timetable to be adopted at the end of 2017. The revised framework will build on the earlier regeneration key principles but will aid the delivery of key greenspaces and public realm.

Urban Splash

3.18 Urban Splash are currently on site delivering their development of 71 town houses and 100 apartments. This scheme will deliver improvements to the riverside walkway fronting the development as well as improvements to the existing, currently closed underpass reconnecting this side of Trinity to Greengate and the City Centre as part of Irwell River Park.

Salboy

3.19 Salboy / Domis have recently commenced on site to develop their site for 380 units. This scheme will include the retention and restoration of the Blackfriar Public House that has stood empty for a significant period of time.

4. Key Infrastructure Projects

4.1 In addition to the key development activity set down in section 3 above, there are 3 key infrastructure projects in the area that support the westward expansion of the city centre.

Ordsall Chord

4.2 Since October 2015, work has been taking place on the Ordsall Chord. This will be 300 metres of new track that will create a link between Manchester city centre's main train stations for the first time.

4.3 The work includes realigning existing track, building new bridges, removing disused arches and restoring Grade I listed structures. Once the work is completed in December 2017, the chord will help provide many benefits not only to passengers but also to the economy of the area.
Salford Central Station

4.4 As a result of the growth of the City Centre it is anticipated that there will be a five to ten fold increase in passenger numbers flowing out from Salford Central Station and through the area. On-going discussions are taking place with Network Rail and Transport for Greater Manchester with a view to investment taking place in the station bringing new platforms into use and improved station facilities. Improvements would be phased and it is currently anticipated that these would take place between 2019 and 2021. To date Transport for Greater Manchester have secured £20 million of Growth Deal funding through the Greater Manchester Combined Authority.

Cross City Bus

4.5 The Cross City bus package, a £54.5m investment aimed at significantly improving bus travel into, and across the City Centre via Chapel Street and New Bailey Street will increase passenger flows through the area. The New Bailey Gateway project summarised in paragraph 5.2 will support the Cross City Bus Scheme.

5. Connectivity

5.1 Significant change is now beginning to be seen in the area, as regeneration plans begin to come to fruition and investor confidence grows. The delivery of new homes, employment opportunities and public transport facilities are changing the look, feel and function of the area. The area is no longer a transient space existing primarily as a through route for commuters. These are fast becoming city centre streets situated at the heart of a growing city centre neighbourhood.

5.2 The changing nature of the place creates a pressing need to address the existing problems in the area (such as pedestrian legibility, traffic flows and a poor quality, car dominated environment) as well as bringing forward and implementing changes, which will contribute to and maximise the economic growth potential of the area.

5.3 The City Council is therefore developing a 5 year programme of connectivity and public realm schemes aimed at ‘knitting together’ and supporting the substantial development that is taking place in Greengate and the Chapel Street area. This programme will direct developer contributions in a strategy manner. This in turn will contribute towards ‘place making’ and the westwards expansion of the City Centre.

5.4 Investors looking to bring employment, leisure opportunities and new residential buildings to the area will benefit from this approach as it will create an improved front door to their development sites, thereby increasing the attractiveness of the sites to funders and occupiers. It is anticipated that delivery of the improved environmental quality may accelerate development progress in the area. In turn, Salford City Council will benefit from increased business rates and council tax. Salford communities will also benefit through...
the creation of a quality environment in which they can live, work and spend their leisure time.

New Bailey Gateway

5.5 External funding has already been secured to build this project which forms an integral part of the Cross City Bus Scheme (improving bus journey times through the area) the creation of a more pedestrian friendly environment which will help people safely move between key transport hubs and employment / residential areas. Phase 1 of this scheme is currently under construction and is due to complete in December 2017. The scheme is being funded from within a mix of sources. £1.7m Growth Deal 2 monies have been secured, a match funding in principle from ECF (£880k). In addition S106 contributions from the Select Property Group have been secured totalling £880k as well as £90k S106 contributions towards climate change.

5.6 Linked to this will be improvements to Bloom Street aimed at creating an attractive pedestrian and cycling connection into the Trinity community.

Chapel Street East

5.7 The project is aimed at extending the principles established through the New Bailey Gateway scheme (‘place making’, and improved pedestrian and cycling environments), connecting eastwards through Chapel Wharf and along Chapel Street into Greengate.

5.8 The scheme details are currently in the early stages of development and options for funding the scheme are also being explored.

New Bailey Bridge

5.9 A new pedestrian/cycle bridge would form an integral part of the wider connectivity ideas for the area, aimed at connecting New Bailey Gateway westwards through Central Salford to the Middlewood Development and the St John's Development in Manchester. This would be similar to the bridge at Spinningfields where a key connection between the Spinningfields Business District, New Bailey and along a new section of riverside walkway to the Lowry Hotel was created in 2012.

5.10 Developers ECF and Scarborough strongly support this and an initial meeting has taken place with Allied London (landowners on the Manchester bank) to gain their support.

5.11 There is currently no specific funding in place to deliver a bridge at this location, however a process is about to begin which involves the City Council talking to key stakeholders and pursuing external funding options.
Greengate Streets and Riverside Walkway

5.12 Improvements are proposed to enhance connectivity throughout the streets across Greengate. Proposals currently include a new Greengate Boulevard that link the existing Greengate Square to the historic Collier St Baths. There will be stop off points along the routes that will include a large green park and the reinstatement of the historic Greengate Cross. Aspirations of Irwell River Park will see additional improvements being made to riverside walkways, leading from Springfield Lane area into and through Greengate and the City Centre.

5.13 Developers are already supportive of these proposals and existing projects already secured are supporting this strategy through developer contributions. Work will continue with relevant landowners to complete the remaining gaps in Irwell City Park.

6. Future City Growth

6.1 As the City Centre continues to expand in a westerly direction there continues to be a need to consider how that growth can be delivered in a comprehensive way whilst properly integrating existing communities. The section below provides a summary of current early stage projects.

Railway Arches

6.2 Network Rail are seeking to sell the nationwide commercial property portfolio in 2018. This sale will include all the arches in City Centre Salford. The national sale could result in a period of uncertainty for Salford if investment priorities for any new investor are focused in the South-East or simply away from Salford. The Council have been working closely with Manchester City Council to explore an opportunity to purchase the long lease on the arches. The Council obtaining the arches would provide certainty around the management and control of important infrastructure: With the arches forming continual street frontages within each of the neighbourhoods undergoing significant regeneration, the city council would be positioned to balance commercial value with the aspirations of the city; securing depth of quality and a sense of place. A joint letter has been sent to Network Rail to request a period of exclusivity that would allow due diligence to be undertaken and provide a period for the City Council to assess value.

University and Crescent

6.3 The Council has been working with key external partners, including the University of Salford, to develop strategic approaches to development and place-making across City Centre Salford. The Crescent and Adelphi Street corridor, along with the University Campus itself, are set to change considerably over the coming years, with a range of development proposals of significant scale now consented or on-site and strong developer interest in further development opportunities across the area.
6.4 Recognising the scale of change facing the area, and the opportunities it presents, the City Council and University of Salford are working in partnership to develop a fresh and ambitious framework for future development which expresses our shared ambitions around excellent design, place-making and quality of life for all who live, work and study in the area.

6.5 The overarching aims are to develop a future vision and development framework/masterplan for the University Campus and the Crescent/Adelphi neighbourhoods. It is anticipated that this will be complete by the end of 2017.

Liverpool Street

6.6 The Liverpool Street corridor is seeing increased developer speculation as the City Centre continues with its outward expansion. High quality developments such as Middlewood Locks are further enhancing investor confidence in this city fringe location, recently triggering residential development activity in long established employment areas to the West of Oldfield Road. The City Council are currently developing a high level vision to better understand the future role of the Liverpool Street Corridor, potentially as a re-invigorated employment location or a new residential/mixed use quarter. The vision will inform future planning guidance, help to manage landowners rising expectations and prevent piecemeal development which would fail to capitalise on the full the economic potential of this area of Salford.

Cambridge

6.7 All economic indicators predict continued urbanisation and an expansion of the regional centre. City centre fringe areas such as Cambridge will undoubtedly experience increasing development pressure and developer speculation over the coming years. Having a clear strategic vision in place “ahead for the market” will enable the Council to better control development, support the formulation of robust planning policy, create more extensive investment, development and growth opportunities whilst ensuring an integrated approach to cohesive place making.

6.8 A key challenge for existing and future development at Cambridge is flood risk and a comprehensive solution will be required in order to realise the area’s full economic potential. Flood risk mitigation will undoubtedly be a material factor influencing the scale, form and location of development capable of being implemented.

6.9 The City Council is currently developing a high level vision and masterplan for the area, informed by refreshed flood risk mitigation advice, reflecting updated Environment Agency baseline data following the 2015 Boxing Day flood event. It is anticipated that this project will be completed by Spring 2018.

6.10 This report highlights the significant growth and change that has already taken place within this part of the City. However, City Central Salford is by no means complete if we are to achieve the full economic potential of the area whilst ensuring that it continues to be great place to live, work and visit.
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WARDS TO WHICH REPORT RELATES: Ordsall