

## Planning, Housing & Environment Overview & Scrutiny Committee

**Date:** 15 January 2018

**Subject:** The Town Centre Challenge

**Report of:** Andy Burnham, Greater Manchester Mayor

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### 1. PURPOSE OF REPORT

To update Scrutiny members on the Town Centre Challenge , providing information on some of the background to this initiative and related work currently way

### 2. RECOMMENDATIONS

That Scrutiny members:

- Discuss the issues set out in Sections 4 and 5 of this paper, sharing relevant information from experience in their local town centres
- Note the town centres which have already been put forward as part of the challenge
- Agree that a further report is brought to Scrutiny Committee as lessons are learned from this initial work and experience develops

### 3. CONTACT OFFICERS

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### 4. BACKGROUND

- 4.1 There are eight principal town centres in Greater Manchester (Altrincham, Ashton Under Lyne, Bolton, Bury, Oldham, Rochdale, Stockport and Wigan), around 20 smaller towns (eg Horwich, Marple, Denton, Leigh, Swinton, Wythenshawe, etc) and over fifty other local or suburban centres. Every one of them has a role to play in economic growth and making our city region world class.
- 4.2 Despite considerable efforts by local authorities in masterplanning a future for their town centres and getting stakeholders together, development has proved difficult to deliver through a traditional investment model which demands rates of return that town centre values cannot guarantee. Individual towns therefore struggle to bring forward value generating plans and collaborative work by Place Directors in the ten districts is looking at how to increase capacity in Greater Manchester in order to address this barrier.
- 4.3 Many of these town centres are also focal points of public transport services, including rail stations, yet in most there is no effective housing market. This is partly due to 'abnormal' costs of development (often on previously developed land) and partly due to the low end value of any schemes caused by a lack of current housing

demand in those town centres keeping prices low. At the same time, we have a massive housing need across GM and for that housing to be in sustainable locations, with a desire to minimise the amount of greenbelt land that needs to be used in order to enable an appropriate housing stock to be built.

- 4.4 It was against this background that a Greater Manchester wide Town Centre Challenge was agreed by the GMCA in October 2017, with a widely covered media launch hosted by the Mayor and Cllr Shori in Bury town centre in November. The Town Centre Challenge is about raising the profile of town centres and using the convening powers of the Mayor to galvanize delivery. It will bring together all the key stakeholders and partners in a concerted effort to support the work of local councils and to unlock the potential of some of these places. The Mayor invited all councils across Greater Manchester to put forward a town centre to be part of the first phase of the initiative, with a particular focus on:
- Thinking big - to consider the long term potential of town centres, this includes opportunities for new housing, leisure and employment as well as a traditional retail;
  - Identifying schemes with a catalytic impact – to redefine the trajectory of a town centre and genuinely reshape investor and consumer confidence
  - Build on assets – to exploit the inherent assets in town centres and the potential these offer in the first instance, rather than starting with areas of greatest need.

- 4.5 In return, the Town Centres Challenge offers the support of the GM Mayor and the GMCA, so that a combination of powers and resources can be aligned to the benefits of the selected town centres. This gives the opportunity for creating a tailored approach to supporting each town centre, but an approach that will still need to be clearly defined and understood so that it can be managed and delivered.

## **5. CHALLENGES AND SOLUTIONS FOR TOWN CENTRES**

- 5.1 Each town centre is very different, and needs to find its own path, but there are clearly some common issues around which efforts can best be focused for greatest impact. A GM wide town centre study in 2012/13 looked at the challenges facing town centres, demonstrating the retail revolution underway and that this would result in 21% less retail space and 31% fewer stores in town centre venues by 2020. This has left (and will continue to leave) many of our town centres needing to find a new purpose and play a significantly different role than in the past, with many in need of significant regeneration.
- 5.2 At that time recommendations for future development in the primary town centres in each District was proposed, with many of these plans focused on mixed use development including housing, non-retail business uses and concentrating the focus of a town in a narrower area to increase footfall. The latter included encouraging footfall from centralising public services and college sites in our town centres. Proposals were also explored to create a town centre fund to support such developments, although such a fund could never be made to work on an investment/return basis.
- 5.3 Many of these recommendations have since been acted upon and there has been some notable progress with several landmark projects being delivered in recent

years. For example, the Stockport Exchange development provides state of the art office, hotel and leisure opportunities; the historic town hall in Oldham has been converted to an award winning cinema and leisure attraction; Altrincham market has been re-invented as a successful and highly popular food and drink venue; and a new college campus has been created to help increase footfall into in Ashton Under Lyne.

5.4 However, there is still a long way to go before town centres in Greater Manchester fulfil their potential and contribute to the wider prosperity of the city region. Town centres need to be re-imagined to make them relevant for current and future generations, redefining them as long term, sustainable and sought after investment options. Recent work by Place Directors in all ten Greater Manchester districts has started to define the underlying barriers to achieving the scale of change required, as well as the solutions that could be available by working together in the Town Centre Challenge. Their work identifies a number of barriers which need to be overcome including:

- i) **Viability and investment:** current values in most centres are low when compared to the build costs, and there are few established market comparators to support investor confidence. We want to maximise the housing growth that can be accommodated in town centres which have better transport links, are accessible to more people and can offer local services like shops and restaurants.

So there is a need to identify which projects are most important, which will have that catalytic impact to genuinely reshape a place and the investment opportunities it provides. This needs a multi agency approach and the Mayor can work with local authorities to help bring together the people needed to identify these projects and support their development. Any investors will need to see clear leadership and the Mayor can also work with local leaders to reach a global audience of investors, as well as making sure that any available public funding is deployed in their support.

- ii) **Public and private sector drive:** public and private sector stakeholders are critical to success. At a very basic level, public sector land ownership is significant in all our town centres and this could be a great asset if deployed correctly. But the number of public and private land owners in town centres is very complex and a barrier to land assembly and investment.

The town centre challenge can address this in a number of ways – using the convening powers of the Mayor, it will be possible to get land owners, investors and others together to bring forward opportunities. Working with local authorities there is also have the option of enacting compulsory purchase powers or Mayoral Development Corporations, where this could release new investment.

Where a solution cannot genuinely be found, the Mayor also has the opportunity to raise these very real issues with the Government to encourage changes at a national level or better Government support.

- iii) **Releasing the hidden demand:** despite some successes, lack of delivery of new town centre schemes at scale means that there are too few examples of success to demonstrate demand. But where local authorities have delivered speculative schemes, more often than not they are let or occupied quickly (eg

Stockport Exchange offices and car park, conversion of Oldham's old town hall to a Cinema).

So there is a hidden demand for new town centre businesses and homes. Local authorities need to take some tough decisions to acquire land and invest in these types of schemes and the Town Centre Challenge can help support this in more places. The best advice, specialist skills, market knowledge and other information will be needed to identify trends, define opportunities and inform these decisions.

## **6. NEXT STEPS**

- 6.1 Since the launch of the challenge in November last year, several town centres have been put forward by local authorities to be part of this initiative in the first phase. To date, these include:
- Farnworth
  - Withington
  - Stockport
  - Swinton
  - Stretford
  - Leigh
- 6.2 Bury, Rochdale and Tameside Councils are expected to confirm a preferred town centre in early January.
- 6.3 The next step in the town centre challenge will be for the Mayor to meet key stakeholders in each town centre early in the new-year, so that issues and potential solutions can be considered in much more detail and more bespoke actions can be agreed for each centre. Where needed, there is also the potential for the Mayor to convene GM wide meetings to ensure that key public sector bodies, like transport or government agencies, are working in a more joined up way to the benefit of these town centres. A number of other organisations, including private sector developers, house builders and environmental groups, have also offered support to the town centre challenge and these will be brought into the process as their areas of expertise are matched against the needs of different centres.
- 6.4 Given the ongoing dynamics of this initiative it will be important to continue to share information and experience between the ten GM districts, so that lessons from different projects can be applied more widely across Greater Manchester. It is also envisaged that further rounds of the challenge will enable other town centres to be the focus of this work as experience is gained and progress is made through this initial set of town centres, and some districts are already preparing for this.
- 6.5 A further update report can be brought to Scrutiny as lessons from this initial work are learned and experience develops.