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**Manchester City Council  
Report for Resolution**

**Report to:** Executive - 29 July 2015

**Subject:** Former BBC Site - Delivery Strategy and Phasing Plan

**Report of:** The Chief Executive

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**Summary**

The Executive report of 14th April 2015 confirmed the acquisition of the former BBC site and set out the development aspirations of the new owners. That report endorsed a new masterplan for the site and its immediate environs, and confirmed that this was consistent with the existing Strategic Regeneration Framework previously approved in 2013.

The Executive recommended that a further report be brought back to it setting out, amongst other things, a delivery strategy for the site and how land assembly and consolidation issues would be addressed.

**Recommendations**

The Executive is recommended to:

- I. Note, and welcome, the accelerated delivery strategy and phasing plan proposed by the new owners as set out within this report;
  - II. Endorse the proposed approach to bringing forward individual planning applications in line with the approved masterplan and phasing strategy; and
  - III. Authorise the Chief Executive and Head of Development to negotiate the necessary land consolidation/disposal in order to facilitate delivery of the masterplan, and to bring back a further report back to the Executive setting out the proposed terms.
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**Wards Affected**

City Centre

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The site sits within the Corridor: Manchester which is Greater Manchester's (GM) central business and education district, critical to the flow of people, goods and ideas through the GM area. The Corridor has been identified as providing the opportunity to accommodate a workforce of 77,000 and generate £4.8 billion GVA to 2020, achieved in part by a series of capital investments of £3 billion. It is critical to delivering some of the key aims of the strategy for the future growth as set out in the GM Strategy (GMS).
Reaching full potential in education and employment	The former BBC site has the potential to accommodate over 11,000 jobs. The SRF will seek to maximise local employment from this initiative. In addition, the opportunity to generate high added value jobs based around the knowledge sector means that there is huge potential for the site to generate a significant flow of revenue into the local economy (GVA) and with that a wider range of indirect jobs and multiplier effects.
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	The SRF will provide the opportunity to create appropriate additional facilities and ensure surrounding communities can benefit from development that takes place here.

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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### **Environmental and Climate Change Impacts**

Extensive new high quality public realm and open space is proposed for the site, which will significantly improve the environment of this part of the city centre. The area benefits from strong public transport links with both Oxford Road and Piccadilly rail stations within the vicinity, the planned bus corridor, and the Metroshuttle route running close by, negating the need for reliance on car usage. The development of the site will prioritise pedestrian walkways and cycling access, which will provide residents with linkages to surrounding neighbourhoods and city centre districts.

The masterplan for the site includes a commitment to the highest sustainability (BREEAM) standards within the proposed commercial development through innovative building design, promoting low energy use. Sustainable design and development principles will be tested at planning application stage.

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**Background documents (available for public inspection):**

The Former BBC site, Strategic Regeneration Framework 2013

## **1.0 Introduction**

- 1.1 The former BBC site bounded by Oxford Road, the River Medlock, Princess Street, Charles Street and the Mancunian Way was acquired by Bruntwood in March 2015 in order to bring forward a distinctive, forward looking, and commercially led re-development. Critical to the long term success of the site is its full integration into the wider Corridor neighbourhood. Bruntwood's ownership of immediately adjoining property make it uniquely positioned to achieve this and bring forward a comprehensive masterplan incorporating not only the former BBC site but its immediate environs. The Executive endorsed a revised masterplan for the site at its April meeting.
- 1.2 This report therefore sets out a delivery and phasing strategy for the site having regard to extensive discussions which have taken place with the University of Manchester in particular, that will see it fully developed within a period of circa 8 years. Crucially, the development programme set out below, will see delivery of approximately 1.42m sq ft of new floorspace (63% of the development quantum set out within the site masterplan) plus the multi-storey car park by the end of 2018 including some 492,000 sq ft of commercial floorspace and the majority of the site's new public realm.
- 1.3 Employment-generating uses represent some 59% of the overall planned floorspace. The remaining 41% will comprise residential and serviced apartment use, creating a new high quality neighbourhood.

## **2.0 Delivery Strategy**

- 2.1 Re-development of the former BBC site, and land immediately adjacent to it on Oxford Road represents an opportunity for comprehensive employment-led, mixed-use regeneration unparalleled elsewhere on the Corridor. In particular the site's proximity to the education assets of the Corridor, including the core campus' of both the University of Manchester (UoM) and Manchester Metropolitan University (MMU), UoM's North Campus and planned Engineering development allows it to benefit from the world-leading teaching and research centres of both. It is located in close proximity to the National Graphene Institute, which opened earlier this year and the Graphene Engineering Innovation Centre (GIEC) which is in an advanced stage of planning. Its ease of access by a range of transport options make it ideally suited to a wide range of occupiers and high added value businesses within identified growth sectors.
- 2.2 The original Strategic Regeneration Framework for the site, and the new development masterplan, envisaged a high quality, vibrant and sustainable neighbourhood, with a distinctive sense of place that is functionally and physically connected to adjoining land uses and the wider area taking advantage of the location's unique attributes.
- 2.3 To achieve this vision it is essential that a delivery strategy and phasing plan is put into place that ensures not only continuity of development, but also a sustainable long term management regime for the site that will ensure that the

spaces and buildings created remain attractive and well managed into the future.

- 2.4 It is the site owner's intention, therefore, to introduce delivery partners, occupiers, tenants and residents that have a shared vision for the long term future of the site as an innovative, well designed, managed and maintained new city centre neighbourhood community. Select Property Group are one such partner who are engaged to deliver the residential neighbourhood.
- 2.5 A phasing plan (see attached at Appendix A) has been developed which seeks to ensure that development momentum, once commenced, is maintained at all times and that the process of regeneration across the site is a continuous and co-ordinated one. For this reason the first planning application for the first phase of development will also include significant new areas of public realm including: publicly accessible riverside gardens, the full length of the River Medlock within the site; a new high quality shared surface street from Brancaster Road to Upper Brook Street, formalising the main east west link through the site in one continuous visual and physical connection between Oxford Road and Upper Brook Street; and a north south boulevard, 18m in width, connecting Brancaster Road to Charles Street, terminating at a new pocket square on Charles Street. The application will be accompanied by a Public Realm, Access and Movement Strategy which will set the key principles for the full site's future redevelopment. This application will be made in September 2015.
- 2.6 This will be followed by a series of further planning applications in respect of the remaining development blocks and public realm identified within the new site masterplan throughout the remainder of 2015, 2016 and 2017. Importantly, the place-making context for the wider development of the site will be provided by the form, content and phasing of the public realm proposals established at the outset.

### **3.0 Proposed Development Phasing**

- 3.1 The new masterplan for the site identifies 18 distinct development plots organised around an exceptional new public realm environment. When developed, the site will deliver approximately 2.25m sq ft of floorspace, with over 1.4m sq ft of that space comprising of new commercial floorspace. The residential developments that will be brought forward will fully comply with the new space standards strategy which is currently being developed.
- 3.2 Following enabling works required to prepare the site for development, three subsequent development phases are anticipated, ensuring the comprehensive re-development of both the former BBC site and its immediate environs within a circa 8 year timeframe.
- 3.3 The anticipated phasing profile of the development is set out below. The development phases are not intended to be sequential, but over-lap, thereby ensuring (a) the swiftest possible delivery programme and (b) that a critical mass of development momentum is maintained at all times.

### **3.4 Enabling Phase (Delivery - July 2015 to January 2016)**

- Securing vacant possession of the site and delivering site wide pre-development enabling works.

3.4.1 The enabling phase will commence with the vacation of the existing car park operator from the former BBC site. With the requisite Notices now served it is anticipated that vacant possession will be achieved by early August.

3.4.2 Once vacant possession is achieved a programme of pre-development enabling works across the entire masterplan area will commence, to enable subsequent development phases to be delivered in accordance with the programme. These enabling works, including remaining demolitions, re-grading of the site and service diversions, will take approximately 6 months to complete. Planning consent will be required for these works and an application will be submitted imminently.

3.4.3 During the enabling works phase, site hoardings will be erected and a new forward looking brand identity for the site established. In preparation for a start on site with the first phase of development works early in 2016 a planning application for Phase 1a works will be submitted in September 2015.

3.4.4 It is proposed that this application includes supporting proposals for the new public realm environment across the site providing the place creation context within which individual planning applications for development plots will come forward and be assessed.

3.4.5 *By early 2016 the site will be a cleared, secure environment capable of accepting development in accordance with the agreed site masterplan.*

### **3.5 Phase 1 – Short-term Committed Development**

3.5.1 Bruntwood and its partners are committed to delivering a substantial proportion of the overall 2.25m sq ft of masterplan floorspace within the next 4 years. Over 1.4m sq ft of floorspace will be delivered over the next four years. The sequencing of that first Phase is as follows:

### **3.6 Phase 1a (Delivery - Q1 2016 to Q3 2017)**

- Delivering key public realm and infrastructure together with serviced apartment Blocks 10a, 10b & 11.

3.6.1 Once site-wide enabling works are complete and the requisite planning approvals are obtained work will commence on the Phase 1a development. The key element of this phase will be the delivery of a significant proportion of the entire site's public realm infrastructure including a proposed new riverside walkway the entire length of the River Medlock frontage within the site (125m in length), a new east/west pedestrian route between Oxford Road and Upper Brook Street, and a north south boulevard between Brancaster Road and

Charles Street. This will deliver key north south and east west connections within this early phase, creating the sense of place that will be crucial to the success of later phases.

3.6.2 Key in this respect will be injecting life, vitality and pedestrian movement across the site. For this reason, and to enable the requisite funds to be released to fund public realm works, Phase 1a will therefore include two serviced apartment buildings targeted primarily at international students, adjacent to the River Medlock on the eastern fringe of the site. These buildings will be open for the start of the 2017-18 academic year.

3.6.3 *In total Phase 1a will deliver, by September 2017, approximately 275,000 sq ft of new serviced apartments, some 30% of the total residential floorspace envisaged by the site masterplan, as well as a substantive first phase of site-wide public realm.*

### **3.7 Phase 1b (Delivery - Q3 2016 to Q4 2017 / 2018)**

- Delivering commercial Blocks 2 and 3, together with the multi-storey car park (Block 16), hotel and retail (blocks 13 and 15) and residential Blocks 7 and 8.

3.7.1 Phase 1b incorporates land outside the immediate land comprising the former BBC site including highway land currently owned by the City Council. The commercial principles underpinning the disposal of a parcel of land fronting Upper Brook Street to facilitate delivery of the masterplan, and the wider role of the City Council in taking freehold ownership of the entire site in order to utilise its powers of "appropriation" to remove any potential barriers to development in accordance with the masterplan is the subject of the Part B report attached.

3.7.2 Prior to the commencement of Phase 1b further land assembly, demolitions, site infrastructure, highway works and tenant relocations need to be committed and completed. It is therefore anticipated that commencement of Phase 1b will follow approximately 6 months after Phase 1a, with a start on site in Qtr 3 2016.

3.7.3 This very substantive phase of the development will see over half a million sq ft of floorspace developed, plus a 1000 space + multi-storey car park to serve the site. Over half of this will be floorspace in employment-generating uses, including commercial Block 2 fronting Oxford Road, hotel Block 13, Block 3 which is envisaged to be offered as incubator-type space, plus commercial Block 16 (incorporating multi-storey car park) adjacent to Upper Brook Street on the south eastern corner of the site.

3.7.4 It is anticipated that Phase 1b will see the substantive proportion of the site wide public realm for the development completed, and, reflecting this, residential Blocks 7 and 8 and the proposed main Central Square (almost 3,000 sq m in size), will also be delivered within this phase. The remaining section of connecting boulevard north-south, linking in under the Mancunian

Way and Sidney Street beyond, will also be delivered in this phase, creating one connection through the entire length of the site to Charles Street at the north.

3.7.5 *In total Phase 1b will deliver approximately 279,000 sq ft of commercial floorspace, a 1000+ space multi-storey car park, 242,000 sq ft of residential floorspace and almost total completion of the site wide public realm by December 2018.*

### **3.8 Phase 1c (Delivery - Q4 2017 to Q4 2019)**

- Delivering commercial Block 4, residential Blocks 5 & 6, and serviced apartment Block 9.

3.8.1 Phase 1c will deliver a further commercial building on Oxford Road (Block 4) and complete the residential component of the masterplan by delivering residential Blocks 5 and 6, plus the final serviced apartment building, Block 9.

3.8.2 *This phase will deliver a further 198,000 sq ft of commercial floorspace and 429,000 sq ft of residential and serviced apartment floorspace.*

3.8.3 *When combined with Phases 1a and 1b, the completed Phase 1 of the development will deliver approximately 1.42m sq ft of floorspace, over 60% of the development quantum set out within the site masterplan. This will be achieved within less than four and a half years from the date of acquisition.*

### **3.9 Phase 2 (Delivery - Q1 2019 to Q1 2021)**

- Delivering commercial Block 12.

3.9.1 The place-making capabilities of such a significant phase of delivery of the entire masterplan by the end of 2019, alongside the commercial success of the new neighbourhood, will have created the right conditions for the substantial commercial Block 12 (circa 305,000 sq ft) to be delivered.

3.9.2 This represents a significant investment opportunity, which will be realised in advance of Q1 2019, if a suitable occupier/institution is identified in response to the wider site's development, but also if the agglomeration impacts of other facilities such as GEIC and the Royce Institute are realised by 2019.

3.9.3 *This phase will deliver approximately 305,000 sq ft of commercial floorspace on Upper Brook Street.*

### **3.10 Phase 3 (Delivery - Q1 2021 to Q1 2023)**

- Delivering commercial Blocks 1A, 1B, 1C.

3.10.1 The final phase of the development will see the re-development of the existing Manchester Technology Centre fronting Oxford Road to complete the commercial offer across the masterplan area.

3.10.2 The scale of this final masterplan opportunity which, given existing lease arrangements will necessarily need to be held until the end of the masterplan development programme, represents another potential opportunity for a major occupier or institution to take the development plot as a whole and deliver an employment-led proposition that is of significant scale. By then, the new neighbourhood will be fully established and a clear commercial opportunity will be presented in respect of this final piece of the masterplan jigsaw.

3.10.3 *This phase will deliver approximately 521,000 sq ft of commercial floorspace adjacent to Oxford Road.*

3.10.4 A detailed programme relating to the key activities, and proposed timetable for the submission of individual planning applications within each proposed phase is attached below.

#### **4.0 Market Opportunities**

4.1 In the Autumn Statement in 2014, the Chancellor announced the new Sir Henry Royce Institute for Materials Research and Innovation (the Royce Institute), a world-leading centre for materials research. The Royce, which will be part of the UoM suite of facilities supporting the research and development of advanced materials, will provide a major opportunity to cement Manchester's place at the forefront of global development in this sector.

4.2 Since that time, the UoM, has been developing and evolving the concept of the Institute. While locating the Royce Institute on the BBC site was initially felt to provide an opportunity for the facility to be more centrally located among the research cluster, further analysis and a better understanding of the Institute's functions suggests that it would deliver the greatest benefit, optimal operational performance and enhance academic collaboration by being more closely located to the existing National Graphene Institute and the new Engineering development. Its size and layout reinforces this conclusion.

4.3 The UoM is able to accommodate the Royce Institute on its own estate, close to both of these facilities and also in close proximity to the Graphene Engineering Innovation Centre (GEIC), proposed for the North Campus.

4.4 This clustering of advanced material research and development facilities within the Corridor clearly presents a major opportunity for the University and the city's wider economic development in the field of advanced materials. It also presents an immense opportunity for the former BBC site.

4.5 The site is only several hundred metres from the planned GEIC. Additionally, the masterplan's new direct east west link from Oxford Road to Upper Brook Street via a realigned Brancaster Road will position the site to connect into GEIC and North Campus more widely. It is also intrinsically located at the heart of the existing higher education hub of both the University of Manchester and Manchester Metropolitan University's main campuses,

allowing it to benefit from the world-leading teaching and research centres of both.

- 4.6 This strategic positioning means that there is significant potential for the site to be a focus for investment which is keen to be closely located to the research and development activity at these facilities, as well as that of MMU and the CMMFT. Clearly, the site will be positioned to appeal to both SME's, and much larger institutions and organisations wishing to benefit from being located at the very heart of Manchester's knowledge quarter, with exceptional connections to existing and committed facilities in the expanding advanced materials sector, allowing innovative and collaborative working across the area. Business services related to medical device/technology companies, wider science and technology healthcare, and digital and creative industries will all be attracted to the site.
- 4.7 To underpin its potential, Bruntwood propose that the opportunity to secure a science based use should be left open for the time being and this view is supported by the University and Council officers. Given the dynamics of the market and the almost constant evolution and development of the Universities activities, this flexibility would enable the corridor to embrace new opportunities as they emerge.

## **5.0 Land Assembly and Consolidation**

- 5.1 As noted above, the Council is the owner of a small parcel of land adjacent to Upper Brook Street on the eastern periphery of the site adjacent to the Mancunian Way. In order to allow for delivery of the masterplan, and Phase 1 in particular, it will be necessary for this parcel of land to be consolidated within wider development plans, to enable access to the proposed new multi-storey car park serving the development, to aid vehicular servicing across the site, and to facilitate new pedestrian routes through the site. In return the City Council will benefit from a share of development profits from the commercial development enabled by way of overage provisions.
- 5.2 The freehold of this land will be retained by the City Council. It is also proposed that the Council will take freehold ownership of the remainder of the former BBC site and grant back to the owner a 999 year lease. In this way it will be possible to remove potential barriers to the proposed comprehensive development of the site that may arise as a result of potential restrictive covenants and easements.
- 5.3 The commercial principles under-pinning these proposed land assembly arrangements will be brought back to the Executive at its next meeting.

## **6.0 Conclusions**

- 6.1 Since acquisition of the site in March 2015 the new owner has moved quickly to put into place a robust delivery and phasing strategy that will deliver over 2.2m sq ft of developed floorspace within a circa-8 year timeframe,

fundamentally underpinning the credentials of the Corridor as a key growth node for both the city and the region for many years to come.

- 6.2 The first phase of development, scheduled for completion by the end of 2018 has the potential to deliver approximately 1.4m sq ft of floorspace, equal to over 60% of the development quantum set out within the overall site masterplan. As part of the development mix for this phase over 490,000 sq ft of commercial space will be delivered, plus a 1000+ space multi-storey car park.
- 6.3 The City Council has a key role to play in facilitating the early and comprehensive development of the site in accordance with the agreed masterplan and Strategic Regeneration Framework using its land assembly and appropriation powers.

Recommendations can be found at the front of this report.

## Appendix A

### Former BBC Site - Anticipated Delivery Programme

#### **Enabling Phase (Q2 2015 - Q1 2016)**

Planning application (1) submitted - pre-development enabling works	July 2015
Car park operator removed, vacant possession secured	Aug 2015
New branding launched	Aug 2015
Target panning application (1) approval	Sep 2015
Site hoarding erected	Sep 2015
Enabling works commence	Sep 2015
Enabling works/remediation completed	Jan 2016

#### **Phase 1a (Q1 2016 - Q3 2017)**

Planning application (2) submitted - public realm, serviced apartments Blocks 10a, 10b & 11	Sept 2015
Target planning application (2) approval	Dec 2015
Phase 1a works commence	Qtr 1 2016
Phase 1a works completed	Qtr 3 2017

#### **Phase 1b (Q3 2016 - Q4 2017/2018)**

Planning application (3) submitted - residential Block 7 & 8	Qtr 4 2015
Planning application (4) submitted - commercial Block 2 & 3	Qtr 4 2015
Planning application (5) submitted – multi-storey car park and commercial block 15	Qtr 1 2016
Planning application (6) submitted - commercial Block 13	Qtr 2 2016
Target planning application (3-6) approvals	Qtr2/3 2016
Phase 1b works commence	Qtr 3 2016
Phase 1b works completed	Qtr 4 2018

#### **Phase 1c (Q4 2017 - Q4 2019)**

Planning application (7) submitted - residential Block 5	Qtr 1 2017
Planning application (8) submitted - residential Block 6	Qtr 1 2017
Planning application (9) submitted - commercial Block 4	Qtr 1 2017
Planning application (10) submitted – serviced apartment Block 9	Qtr 1 2017
Target planning application (7-10) approvals	Qtr 2 2017
Phase 1c works commence	Qtr 4 2017
Phase 1c works completed	Qtr 4 2019

#### **Phase 2 (Q1 2019 - Q1 2021)**

Planning application (11) submitted -commercial Block 12	Qtr 2 2018
Target planning application (11) approval	Qtr 3 2018
Phase 2 works commence	Qtr 1 2019
Phase 2 works complete	Qtr 1 2021

#### **Phase 3 (Q1 2021 - Q1 2023)**

Planning application (12) submitted -commercial Block 1A, 1B, 1C	Qtr 2 2021
Target planning application (12) approval	Qtr 3 2021
Phase 3 works commence	Qtr 1 2023
Phase 3 works complete	Qtr 1 2023