

Manchester City Council

**Manchester GMSF Allocations:  
Viability and Deliverability  
Assessment**

AG2 Roundthorn Medipark  
Extension

Final Issue | 21 August 2018

This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 257390-02

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# Document Verification



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# 1 Introduction

## 1.1 Purpose of the Commission

- 1.1.1 Manchester City Council ('MCC') has commissioned Ove Arup and Partners ('Arup') to carry out an assessment of the viability and deliverability of the proposed employment allocation at Roundthorn Medipark, which is included as a strategic site in the emerging Greater Manchester Spatial Framework (GMSF). The output of this work is a 'concept masterplan' for this site.
- 1.1.2 The purpose of this commission is to provide sound and robust evidence for the GMSF on the deliverable quantities of development on the site, having regard to the constraints and opportunities presented.
- 1.1.3 The site is referred to in the Draft GMSF 2016 as site AG2. This allocation is located around the areas of Roundthorn, Newall Green and Davenport Green.
- 1.1.4 This site is located immediately to the north east of Timperley Wedge, which is located in the neighbouring local authority of Trafford. This site (known as AG3) has also been included as a strategic site in the GMSF. Arup was also previously commissioned by Trafford Council to produce a concept masterplan and viability assessment for Timperley Wedge, and the adjacencies have been fully taken into consideration accordingly.
- 1.1.5 The National Planning Policy Framework (NPPF) sets out that plans should make appropriate provision for sites for employment uses. The status of the GMSF is to be agreed following publication of new regulations in Summer 2017. It will become either a joint Development Plan Document (DPD) or a Spatial Development Strategy (SDS). The SDS or DPD will need to address the suitability of the strategic site allocations for the proposed uses.
- 1.1.6 This report examines the suitability of the Roundthorn Medipark Extension site ('the site') for development by assessing the constraints and opportunities and using these to develop a 'concept masterplan' for development.
- 1.1.7 It is assumed that the site is available, as it has been promoted by the majority of landowners. Some discussions with landowners have taken place as part of this commission.
- 1.1.8 The achievability of the proposed development on the site has been tested through an assessment of the commercial viability of the development proposed in the concept masterplans.

## 1.2 Greater Manchester Spatial Framework

- 1.2.1 The Greater Manchester Spatial Framework (GMSF) will set out the approach to housing and employment land across Greater Manchester up to 2035, and will allocate land for development in each of the ten authorities. Once adopted it will form part of the development plan for Manchester.

- 1.2.2 An Integrated Assessment (IA) has been developed to assess each stage of the GMSF. The IA incorporates a Sustainability Appraisal, Strategic Environmental Assessment, Equality Impact Assessment, and Health Impact Assessment. The IA assessed all of the allocations included in the consultation draft, and its recommendations for the relevant site have been considered in this report.

### Consultation Draft (2016)

- 1.2.3 The Draft GMSF was published for consultation for an 11-week period between 31st October 2016 and 16th January 2017 (Draft GMSF 2016).
- 1.2.4 The draft set out the level of economic growth for Greater Manchester over the next 20 years. It proposed around 227,000 new homes, around 2.45 million sq. metres of office floorspace and around 4 million sq. metres of industrial and warehousing floorspace.
- 1.2.5 There is a strong and continued emphasis on directing new development in Greater Manchester to urban locations. Consequently, the GMSF consultation draft set out that the majority of housing and employment land required up to 2035 would be allocated on sites within the urban area of the ten local authorities' Local Plan process.
- 1.2.6 However, the scale of demand identified has been acknowledged as not being able to be accommodated wholly within the urban area, and therefore requires the release of some land from the Green Belt. The GMSF seeks to minimise the release of Green Belt sites and to maximise sustainability by focusing on a relatively small number of large sites in the Green Belt, allowing for the creation of new mixed-use neighbourhoods supported by proper infrastructure and services. The ten Greater Manchester authorities have agreed that all development sites in the Green Belt will be allocated through the GMSF. This will enable the authorities' Local Plans to focus on identifying sites in the urban area for development.
- 1.2.7 The Draft GMSF received over 27,000 responses during the consultation period. A wide range of issues were commented on. These included:
- Recognition of the need for new housing of all types, and the potential of the GMSF and its ambition to provide housing;
  - Concerns over the amount of Green Belt land allocated for development. This was the single biggest issue raised through the consultation process;
  - Concerns over the effect of development on the environment and air quality;
  - Recognition of the potential for job creation;
  - Acknowledgement of the need to link developments to infrastructure improvements; and
  - Concern over the types of housing and jobs being created.

## Second Draft (2018)

- 1.2.8 Work is now underway to prepare a second draft of the GMSF, which will take into account the concerns raised through the consultation process on the first draft.
- 1.2.9 Evidence being gathered in the preparation of the second draft GMSF includes a reassessment of urban capacity in the ten districts. This is in order to maximise yield in brownfield areas and reduce the amount of land that needs to be removed from the Green Belt. The next stage of the GMSF IA will also be undertaken to assess and inform the revised strategic policies and allocations.
- 1.2.10 The work being done on the second draft of the GMSF also supports the election pledge by Andy Burnham, the current Mayor of Greater Manchester, of a 'radical rewrite' of the GMSF to include reduced Green Belt loss and provide a greater focus on developing new homes in town centres. The second draft will be published for consultation in July 2018. This will be followed by a 12-week consultation period.

## 1.3 GMSF Development in Manchester

- 1.3.1 Manchester is one of Greater Manchester's ten districts and is the largest contributor to the provision of housing and employment land to meet Greater Manchester's growth.
- 1.3.2 The GMSF sets out an overall requirement for office space in Greater Manchester (2015-2035) of 2,450,000m<sup>2</sup>. Of this, Manchester has a requirement to provide 1,360,000m<sup>2</sup>, and while most of this is focused in the City Centre, it is not at the exclusion of other areas such as Airport City and Medipark.

## 1.4 Structure of this Report

- 1.4.1 The report is set out as follows:
- 1.4.2 **Section 2** provides a profile of the proposed allocation. This includes a description of the land, its current uses and the surrounding areas. The market and viability context is provided to give a brief portrait of the local and regional employment markets.
- 1.4.3 **Section 3** sets out the information regarding the proposed allocation that has informed this report in terms of policy and consultation comments received on the Draft GMSF 2016. The policy context sets out the relevant policy for the site, including the wording of the allocation policy, a summary of the findings of the GMSF IA of the site, and a summary of how the site performed in the 2016 Greater Manchester Green Belt Assessment. The consultation comments received relating to the site from the Draft GMSF 2016 are also summarised.
- 1.4.4 **Section 4** sets out the main constraints and opportunities for development on the site. This includes consideration of the land's designation as Green Belt, and how the boundaries of the Green Belt may be amended to accommodate development on the site whilst still being in accordance with the NPPF. Consideration has also been given to land ownership of the site where this affects the deliverability of

development, and therefore may affect the proposed allocation's compliance with the NPPF requirements. Other potentially significant constraints and opportunities including those relating to transport, green infrastructure and flooding are also identified. This section presents a list of recommendations for development based on the findings from the constraints and opportunities assessment.

- 1.4.5 **Section 5** sets out the consultation and engagement process that has been used through this commission. This includes an outline and justification of the engagement process taken, and a summary of the findings from these events. This has included discussing the aspirations of landowners and other major stakeholders on the site as part of the preparation of the concept masterplan.
- 1.4.6 **Section 6** presents a 'concept masterplan' for the site. This takes forward the recommendations from the identified constraints and opportunities and provides a vision of how the land could be developed with regard to these. This section also provides an explanation of the approach taken in terms of the different aspects of development, including residential development and the provision of green infrastructure and open space. This section then presents a plan for more precisely defined development parcels on the site, building on the constraints and opportunities identified and the broad development set out in the concept masterplan.
- 1.4.7 **Section 7** provides a viability assessment of the indicative proposed development. This has been conducted in accordance with best practice, and identifies whether the development proposed through the concept masterplan will be viable and deliverable within the plan period.
- 1.4.8 **Section 8** provides a conclusion, summarising the findings of the report and recommending next steps for how this work can be progressed through the next draft of the GMSF and beyond.

## 2 Profile of AG2: Roundthorn Medipark Extension

### 2.1 Introduction

2.1.1 This section provides a profile of the proposed allocation. This includes a description of the land, its current uses and the surrounding areas. A summary is given of the background of the wider area, specifically the wider Medipark scheme and wider economic development around Wythenshawe Hospital. A market context also is provided for the local and regional employment market around Medipark. This provides context for the viability assessment that is presented later in this report.

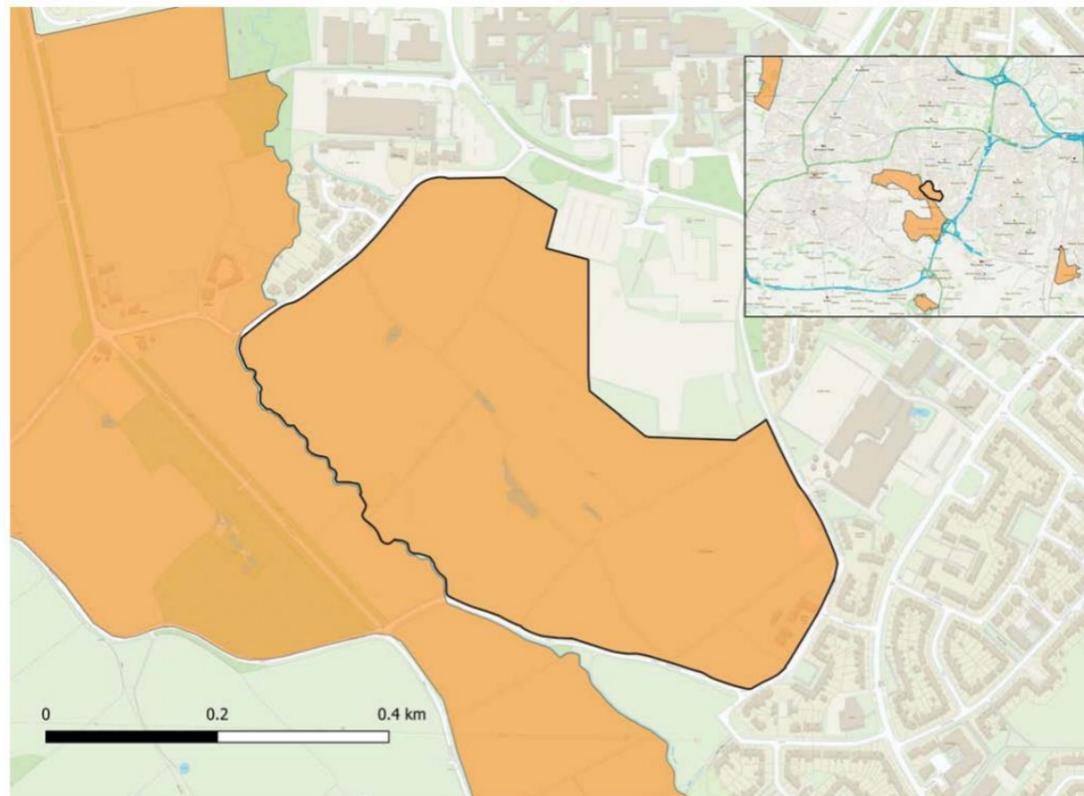


Figure 1: Roundthorn Medipark Extension (Draft GMSF, 2016)

### 2.2 Medipark Context

2.2.1 Roundthorn Medipark Extension is proposed to provide an extension to Medipark, a proposed cluster of healthcare-related employment land centred on Wythenshawe Hospital. The site presents a unique opportunity in the Greater Manchester context in its offer of proximity to a leading hospital and the associated potential attraction of knowledge based industries that would benefit from such proximity (i.e. its 'USP'). The proposed investment in major

infrastructure in the area represents a significant opportunity for the Medipark area, within its wider context, to provide a major boost to the local and wider economy, playing its full part in maximising future economic growth.

2.2.2 Medipark is one of a number of sites comprising Manchester Enterprise Zone, which was implemented in January 2012 and extended in 2016 to include this site. A Framework Plan for the Enterprise Zone was published in October 2012. This identified Medipark as a centre for medical and related services as well as general business activity<sup>1</sup>.

2.2.3 In early 2014, University Hospital of South Manchester NHS Foundation Trust (UHSM), which operated Wythenshawe Hospital, formed a landowning joint venture (the Medipark Limited Liability Partnership (LLP), or 'Medipark') with Bluemantle.

2.2.4 A Campus Masterplan for Medipark was then published in June 2014. This provided a vision for the range of developments that would comprise Medipark. This split the area into:

- Medipark North / Roundthorn Industrial Estate (to the north of the hospital);
- Wythenshawe Hospital;
- Medipark / Baguley Quarter (the southern section of the hospital site); and
- Medipark South (immediately to the south of Floats Road and the hospital site, currently surface car parking)

2.2.5 AG2 is located to the south of 'Medipark South', i.e. its extension.

2.2.6 The Masterplan identified Medipark South as a natural extension of the Baguley Quarter to its north. This would be suitable for both medical-related and more general employment activities in a high quality setting. This could potentially include intermediate care facilities and care villages.

2.2.7 It was anticipated that Medipark South would be structured around a new link road connecting the hospital with the proposed HS2 station to the south, along with the proposed Metrolink extension.

### 2.3 Site Description

2.3.1 The site is located in southern Manchester and borders Trafford to the south west. The Newall Green area of Wythenshawe is to the east and is largely residential. To the north is Wythenshawe Hospital and the Roundthorn Industrial Estate. The land to the west and south of the site is currently largely open and agricultural in nature, although large parts of it are proposed for residential and employment uses as part of the Timperley Wedge allocation in the Draft GMSF 2016.

2.3.2 The site itself is predominantly greenfield. This mainly comprises open fields separated by trees, hedgerows and other vegetation. There is a school playing field

<sup>1</sup> [http://www.manchester.gov.uk/download/downloads/id/19053/manchester\\_airport\\_city\\_enterprise\\_zone\\_framework\\_plan.pdf](http://www.manchester.gov.uk/download/downloads/id/19053/manchester_airport_city_enterprise_zone_framework_plan.pdf)

used by the adjacent Newall Green High School in the south east of the site. The south eastern corner of the site also contains Newall Green Farm. This has recently been converted into a care home and assisted living site for adults with learning disabilities.

2.3.3 Immediately to the north of the site is a surface car park for the hospital. The site is proposed for employment land and research facilities as part of the wider Medipark masterplan. There are also proposals to deliver a Metrolink ‘loop’ line through the south east of the site, linking into the existing Airport line and linking the area to the Airport, Wythenshawe and the wider Metrolink network. This is known as the Western Loop line.

## 2.4 Market and Viability Context

### Current Context

2.4.1 Medipark is positioned within the ‘South Manchester’ commercial property market, as described by commercial property agents and consultancies.

2.4.2 Although the boundary of the South Manchester market is imprecisely defined, it is commonly described as being centred on the southern part of the M60 orbital motorway and A34, and to include locations such as Wilmslow, Handforth, Didsbury, Sale, and Altrincham, as well as Medipark and Airport City.

2.4.3 Despite its imprecise definition, it is nonetheless very clear that the commercial market within which Medipark is positioned does not conform to the administrative boundaries of Manchester City Council.

2.4.4 By its nature, the South Manchester market includes a very wide range of potential business environments and commercial / office premises, at an equally wide range of cost (rent) to the occupier.

2.4.5 Analysis of recent significant commercial / office occupier enquiries also confirms:

- South Manchester is often only one area of search for commercial premises (other locations typically include Manchester City Centre, Warrington and Salford Quays);
- A negligible occupier commitment to Design and Build procurement arrangements, or feel the need to commit to such; and
- Public transport accessibility, and proximity to other facilities for employees is increasingly of paramount importance.

2.4.6 With reference to the Design and Build sector, only one significant Pre-Let Design and Build deal is known to have been done in the South Manchester market during the last 10 years. This is a deal for 49,300 sqft to PZ Cussons at Manchester Business Park (2010). There have also been deals entered into by the likes of CDL (Kings Reach, 30,000 sqft), Micromass Waters (Wilmslow, 100,000 sqft) and Hallidays Accountants (Kings Reach, 12,000 sqft), but these are not

considered to be ‘market’ Design and Build Pre-Let deals because of the existing interest the occupiers had in the development site.

### Future Context

2.4.7 Planned infrastructure investment in the area, however, including the new HS2 station, potential Northern Powerhouse Rail improvements and a new Metrolink line and station will have a significant impact on the area. Combined with the international access provided by the airport, Greater Manchester authorities expect this investment to significantly improve the market and drive the creation of a series of complementary linked commercial opportunities unparalleled in the North of England.

### Competing Sites and Locations

2.4.8 As noted, the imprecise definition of the South Manchester market means that the definition of what is, or is not, a competing or complementary site / location for Medipark can only be a matter of opinion. However, the scale, ‘place making’ potential and proximity of Airport City (and Airport City North, in particular), with its identical Enterprise Zone status, means that it is considered to be the most significant and direct competition for Medipark, or indeed depending on the occupier, the best opportunity for a complementary offer for example the creation of a biomedical cluster of activity.

2.4.9 The sale of Alderley Park at Alderley Edge by AstraZeneca to Manchester Science Partnerships (MSP) in March 2014, offering 1.5 million sqft of scientific, laboratory, office and conferencing space, is also considered to represent notable competition, or complementary role, for Medipark.

### Office Accommodation: Transactional Evidence

2.4.10 In undertaking an assessment of the deliverability and viability of Medipark, regard has been made to the characteristics of the South Manchester office market as summarised above, and the evidence provided by significant transactions during the last 18 months:

Date	Property	Occupier	Size	Rent / Sqft	Comment
Jun 17	Manchester Green, Styal Road, Manchester Airport	Assetz Capital	14,838 sq ft	£17.50 psf	10 year lease with 5 year break option.
May 17	1 Stockport Exchange, Wellington Road South, Stockport	Music Magpie	10,118 sq ft	£21.50 psf	10 year lease.
April 17	Pacific House, Atlas Business Park, Manchester Airport	Vodafone	33,567 sq ft	£17.50 psf	12 year lease, 7 year break.
Dec 16	Trident Business Park, Styal Road, Manchester Airport	Convergys	14,875 sq ft	£16.50 psf	10 year lease with 5 year break option.

Dec 16	Trident Business Park, Styal Road, Manchester Airport	Meridian	10,284 sq ft	£16.50 psf	10 year lease with 5 year break option.
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Table 1: Significant Transactions in South Manchester office market, 2016-18

**Office Accommodation: Availability**

2.4.11 In excess of 500,000 sqft of good quality office accommodation, with dedicated car parking, is currently available within close proximity to Medipark. A selection of this availability is summarised below:

Scheme	Availability	Location	Size sqft	Developer	Rent / sqft pa	Car parking
Atlas Business Park	Immediate	Simonsway /Manchester Airport	Up to 90,300 sqft	Aviva	£15.50	1:200 sqft
Concord Business Park	Immediate	Simonsway /Manchester Airport	70,900 sqft	Praxis	£16.50	1:250 sqft
Handforth Dean Business Park	Design & Build	Handforth Dean	Up to 22,669	Orbit	£15.95	1:250 sqft
4M	Immediate	Manchester Airport	Up to 42,990 sqft	MAG	£22.50	tbc
Trident	Immediate	Manchester Airport	Up to 7,000	Property Alliance Group	£17.50	1:250 sqft
Buildings 1 and 4, Manchester Green	Immediate	Heald Green /Manchester Airport	34,750 sq ft	DS Symmetry	£17.50	1:250 sqft
Parklands	Immediate	Alderley Edge	Up to 100,000 sqft	Bruntwood/MSPL	£19.50	tbc

Table 2: Quality office accommodation located close to Medipark

**Analysis and Application of Transactional and Availability Evidence**

2.4.12 It is noted that there has been no speculative office development of accommodation above 20,000 sqft on South Manchester business parks for some 10 years.

2.4.13 The prevalence of lease terms that include break provisions at 5 years or 7 years is also noted.

2.4.14 The yield adopted for the purposes of valuation of leasehold interests reflects all the prospects and risks attached to the particular investment. These include the length and terms of the lease, the certainty of the rental income (linked directly to the covenant strength of the tenant) and the rental growth prospects as influenced

by the balance of supply and demand in the relevant market place and general economic conditions.

2.4.15 There are arguably three features of the current (and prospective) South Manchester market for offices that should be directly reflected in the yield adopted for the purposes of appraising Medipark. These are:

- The prevalence of break provisions in leases at 5 – 7 years;
- The significant supply of office premises in South Manchester; and
- The clearly increasing preference for locations that offer good quality public transport connections and amenities for employees.

**Market and Viability Summary**

2.4.16 Manchester Medipark is part of the South Manchester commercial property market. Within this market public transport and amenity for employees is increasingly paramount if employers are to compete with city and town centre locations.

2.4.17 There has been one significant pre-let commitment by an occupier to an office in South Manchester in the last 10 years.

2.4.18 There has been no speculative development of office accommodation in South Manchester over 20,000 sqft for more than 10 years.

2.4.19 There is typically in excess of 500,000 sqft of good quality leasehold office accommodation available in South Manchester at typical rents of £15 – £18 per sqft, and on terms that provide for lease breaks between 5 and 7 years.

2.4.20 As with Medipark, the Airport City project has significant support from the combined Greater Manchester local authorities. The location has capacity for some 1.5m sqft of high quality office accommodation. It offers employers and investors the financial benefits of Enterprise Zone status, Commercial Rates relief, Simplified Planning, and Assisted Area status. It offers employees the benefit of direct motorway connections, and existing rail and Metrolink public transport. Airport City is less than 1.5 miles from Medipark.

2.4.21 It should be noted of course that this section is based on the current market and existing / short term trends, which are expected to change over the plan period. This will be due not only to fluctuations in the market but also to the major infrastructure investment planned for the area and the resultant improvement in the levels of accessibility of the site with easy access to the Metrolink network, proximity to the proposed HS2 Airport Station, and improved highways access including to the M56.

## 3 Policy and GMSF Consultation Context

### 3.1 Introduction

- 3.1.1 This section sets out the information about the allocation that has informed this report in terms of policy and consultation comments received on the Draft GMSF 2016.
- 3.1.2 This section sets out the wording of the allocation of the Roundthorn Medipark Extension, as set out in the Draft GMSF 2016, in order to establish what development is expected to be delivered on the site. The findings of the GMSF Integrated Assessment (IA) of the site are also presented to establish what needs to be provided on the site to meet the objectives of the IA.
- 3.1.3 A summary is also given of the assessment of the land that the site covers through the 2016 Greater Manchester Green Belt Assessment, which is a key evidence base document for the GMSF.
- 3.1.4 Finally, this section summarises the comments received that are relevant to the allocation through the consultation period that followed the publication of the Draft GMSF 2016.

### 3.2 GMSF Allocation

- 3.2.1 In the Draft GMSF 2016, the site was proposed for 86,000 m<sup>2</sup> commercial floorspace. Policy AG2 also sets out that the development would be required to:
- Encapsulate very high quality design and construction standards, maximising the use of renewable energy and sustainable drainage systems, and utilising high quality and sustainable construction materials;
  - Facilitate improvements to the surrounding local highway network, including entry / egress and links to the strategic highway network, to enable safe access to and from the area;
  - Enable the extension of the Metrolink route to Manchester Airport by protecting future route and associated infrastructure from development;
  - Complement the wider Roundthorn Medipark development, and any development proposed for the western side of Fairywell Brook in Trafford. Within the site, Medipark development will not affect Newall Green Farm and the adjacent playing field; and
  - Ensure that the development of the site reflects the sequential approach to flood risk management, focusing more sensitive development furthest from Fairywell Brook. High quality natural landscaping, including the provision of native species, should be delivered adjoining the Brook to help mitigate flood risk and promote biodiversity.

### 3.3 Integrated Assessment (IA)

- 3.3.1 The Integrated Assessment (IA) of the GMSF was undertaken in 2016 on each of the strategic allocations in the consultation draft. For each allocation, this built on the policy wording of the allocation (AG2 for Medipark Extension) and set out a number of recommendations for enhancement and mitigation in order for the allocation to fully support the objectives of the IA. The recommendations may be addressed in the allocation or in other GMSF or Local Plan policies as appropriate. These have been summarised for the Medipark Extension:

#### Employment and Training

- 3.3.2 Consideration should be given to how to link training opportunities from construction processes and the operation of the employment land.

#### Transport

- 3.3.3 In terms of transport, it was recommended that active travel access to the site should be considered alongside private and public transport. It was also recommended that the number of trips made by private car to/from the site should be minimised and mitigation of air quality impacts should be considered. This may include green infrastructure, incentivising electric vehicles and configuring development to reduce emissions around sensitive receptors.

#### Equality and Deprivation

- 3.3.4 In terms of reducing levels of deprivation and disparity, it was recommended that a number of things could be done. This included considering deprived areas when planning improved transport links and community facilities, and considering how to maximise long term benefits to these areas.

#### Environment and Sustainability

- 3.3.5 Consideration should be given to ecological receptors through detailed design to reduce risk to these receptors through construction and operation. Design should also consider potential effects of climate change including high temperature events.
- 3.3.6 Appropriate flood risk mitigation should be implemented in line with best practice. Consideration should also be given to how development may align with the strategic aims of the Water Framework Directive in terms of protecting and improving water resources.
- 3.3.7 Ways of improving energy efficiency should also be considered through development. Impacts of development on high quality agricultural land should also be avoided and / or minimised. In terms of heritage sustainability, receptors such as listed buildings should be considered through detailed design in order to reduce risk.
- 3.3.8 Development should encourage the use of previously developed land and derelict land, buildings and infrastructure, potentially through incentives or inclusion

within the allocation. Sustainable construction methods should also be encouraged.

### 3.4 2016 Green Belt Assessment

3.4.1 As part of the evidence base for the Draft GMSF 2016, a Green Belt Assessment (GBA) of Greater Manchester was carried out in 2016.

3.4.2 For the purposes of the GBA, the areas of Roundthorn Medipark Extension that are within the Green Belt were included in Strategic Area 24. This area was subdivided into a number of parcels for the assessment. The areas of the Roundthorn Medipark Extension that are within the Green Belt were included in Parcel MA13.

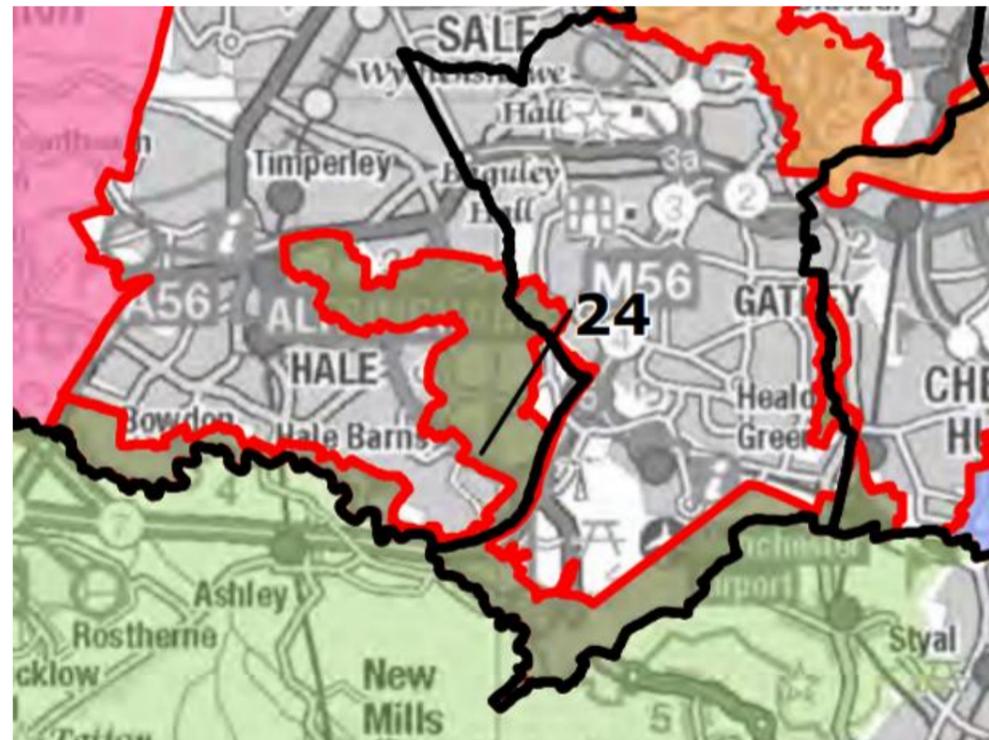


Figure 1: Location of Strategic Area 24 (Land Use Consultants: Greater Manchester Green Belt Assessment, 2016)

3.4.3 Strategic Area 24 was found to make:

- A strong contribution to Purpose 1 (checking the unrestricted sprawl of large built-up areas) due to its role in preventing the sprawl of Altrincham and Wythenshawe;
- A moderate contribution to Purpose 2 (preventing neighbouring towns from merging into one another) due to its role in preventing the merging of Cheadle and Wythenshawe with Hale and Timperley;
- A weak to moderate contribution to Purpose 3 (assisting in safeguarding the countryside from encroachment) due to the influence of urban land uses such as those relating to Manchester Airport;

- A weak to moderate contribution to Purpose 4 (preserving the setting and special character of historic towns) due to its limited contribution to preserving historic towns such as Hale, Ashley Heath and Styal; and
- It was not assessed for its contribution to Purpose 5 (assisting in urban regeneration by encouraging the recycling of derelict and other urban land).

3.4.4 This assessment has been factored in when considering how development on the site may fulfil national Green Belt policy requirements. This is set out further in the sections on constraints and opportunities and on the concept masterplan.

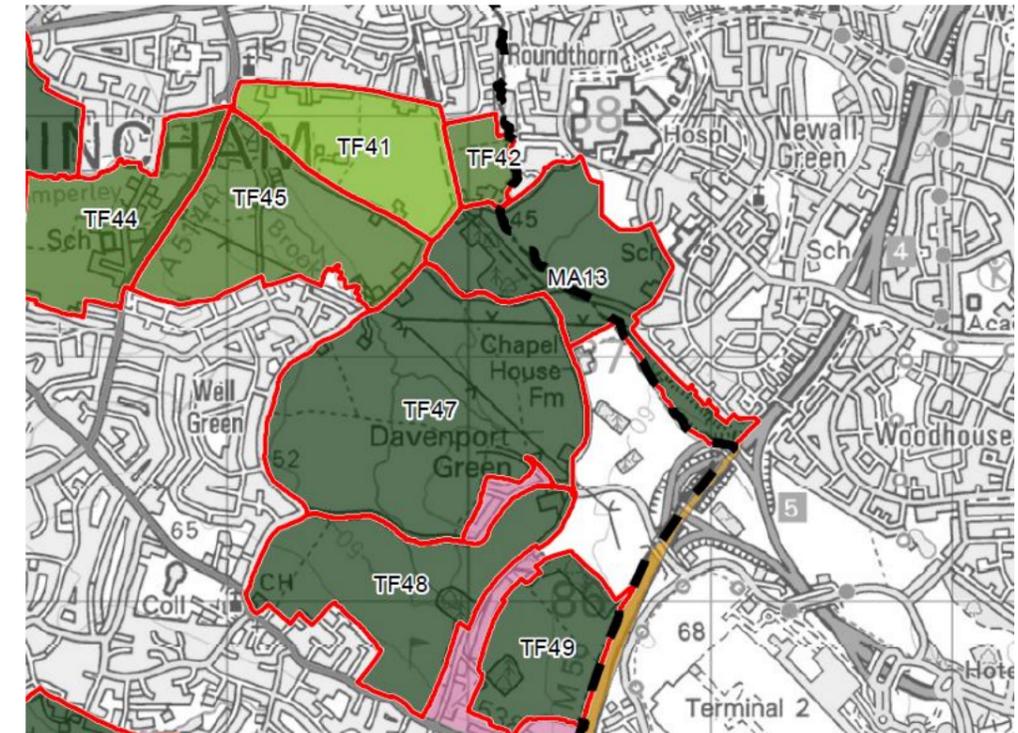


Figure 2: Location of Parcel MA13 (Land Use Consultants: Greater Manchester Green Belt Assessment, 2016)

3.4.5 Parcel MA13 was found to make:

- A strong contribution to Purpose 1a (checking the unrestricted sprawl of large built-up areas: exhibiting evidence of existing urban sprawl and consequent loss of openness) due to its limited urbanising features and strong sense of openness;
- A strong contribution to Purpose 1b (checking the unrestricted sprawl of large built-up areas: protecting open land from the potential for urban sprawl to occur) due to the lack of strong barrier features at the urban edge of the parcel and its strong role in inhibiting ribbon development;
- A strong contribution to Purpose 2 (preventing neighbouring towns from merging into one another) due to its role in preventing the merging of Wythenshawe with Hale, albeit without reducing the visual gap between the settlements;

- A strong contribution to Purpose 3 (assisting in safeguarding the countryside from encroachment) due to its limited sense of encroachment and lack of urbanised built development;
- No contribution to Purpose 4 (preserving the setting and special character of historic towns) due to its limited relationship with nearby historic settlements; and
- It was not assessed for its contribution to Purpose 5 (assisting in urban regeneration by encouraging the recycling of derelict and other urban land).

3.4.6 These assessments have been factored in when considering through this commission how development on the site may fulfil national Green Belt policy requirements. This is set out further in the sections on constraints and opportunities and on the concept masterplan.

### 3.5 GMSF Consultation Context

3.5.1 During the consultation period on the Draft GMSF in 2016, the allocation was the subject of a number of comments either directly in relation to the site or in relation to the site along with others. These are summarised below, and have been considered through the development of the constraints and opportunities work and the Concept Masterplan.

3.5.2 In addition to consultation comments on specific allocated sites, there were also a large number of general comments relating to the proposals to develop on a number of sites currently within the Green Belt. This involved general objections to the level of development on the Green Belt proposed by the Draft GMSF 2016. Consultation comments specific to this site should therefore be viewed within this context.

#### Bluemantle

3.5.3 Bluemantle Ltd is part of Medipark, a joint venture originally with UHSM Foundation Trust, to support development of a complex of developments around the hospital of which this site is proposed to form an extension to.

3.5.4 Bluemantle indicated that it supported the GMSF and in particular the allocation of Roundthorn Medipark Extension for the proposed level of employment floorspace. It confirmed that the site was suitable, available and deliverable. It indicated that the site was necessary to underpin the wider Medipark development and the release of the land would not lead to any ‘overriding detrimental effects’.

#### Environment Agency

3.5.5 The Environment Agency (EA) indicated that it was supportive of the reference to sustainable drainage systems (SUDs) in the allocation policy wording for AG2. It recommended that the policy should refer to ‘soft’ or ‘green’ SUDs as these have greater environmental benefits than ‘hard’ engineered options.

3.5.6 The EA also sought to ensure that Fairywell Brook is protected and enhanced through development through naturalisation of its habitats and provision of a green corridor around it.

#### Friends of the Earth

3.5.7 Friends of the Earth (FotE) indicated that it was generally opposed to significant new road building, and therefore concerned about the facilitation of improvements to the surrounding local highway network to support development.

3.5.8 FotE indicated that it would support a greater focus on public transport, active travel and reducing the need to travel through sustainable development.

#### Historic England

3.5.9 Historic England (HE) indicated that there was no evidence that the GMSF site allocations, including AG2, had been informed by an assessment of the significance of affected heritage assets, the extent to which they may be harmed or lost, and the extent to which any public benefits of the development may outweigh harm or loss.

3.5.10 HE indicated that if the development of AG2 was likely to affect the historic environment, this should be assessed in a way that was consistent with national policy. Without this assessment, HE was concerned that the allocation, as with many in the GMSF that were likely to affect the historic environment, was potentially unsustainable and therefore unsound.

## 4 Constraints and Opportunities

### 4.1 Introduction

- 4.1.1 This section sets out the main constraints and opportunities for development on the site. This includes considering the options for redrawing the local Green Belt boundaries to enable development while also supporting national Green Belt policy and reflecting the feedback received through the consultation process.
- 4.1.2 A review of available information has been undertaken to set out what the main constraints and opportunities are for the site. This has led to the progression of a Key Constraints and Opportunities plan, which points towards options for future development, protection and enhancement. The findings from this section along with Sections 2 and 3 underpin the Concept Masterplan presented in Section 6.

### 4.2 Green Belt

- 4.2.1 As set out in Section 3.4, Parcel MA13 (which the site was within) was found to make a strong contribution to three of the five national Green Belt purposes in the 2016 Green Belt Assessment. This means that the release of the land from the Green Belt for development would require a strong demonstration of exceptional circumstances in order to justify the impact that release would have on the Green Belt.
- 4.2.2 As set out in Section 2, the site's unique selling point is its location next to a leading hospital and the potential market interest in a range of health and knowledge-based industries that could unlock development on the site. This is unique to the site within Greater Manchester, and an exceptional circumstances case justifying the release of the site from the Green Belt could focus on the potential benefits of this type of development outweighing the subsequent harm to the Green Belt. This may be more successful than justifying release based on the potential for more generic employment development with a less direct relationship with the hospital.
- 4.2.3 Potential release of the site from the Green Belt should also be considered in the context of the potential release of areas that form the Timperley Wedge allocation in the Draft GMSF 2016, especially when considering potential Green Belt release in the wider area. This was not considered in the parcel assessments in the 2016 Green Belt Assessment. The release of Timperley Wedge from the Green Belt would result in MA13 forming an isolated area of Green Belt between areas of development, reducing the impact of development of AG2 on Purposes 1, 2 and 3 in particular.
- 4.2.4 In terms of Purpose 1 (checking the unrestricted sprawl of large built-up areas), Parcel MA13 performed strongly as it showed few urbanised features and did not have strong boundaries that could necessarily prevent further sprawl beyond it. When considered alongside the proposed allocation at Timperley Wedge, development of AG2 would not constitute the edge of the built-up area. However, the strengthening of Fairywell Brook as a strong natural boundary could help to

prevent sprawl beyond the site if the adjacent area of Timperley Wedge was not removed from the Green Belt.

- 4.2.5 In terms of Purpose 2 (preventing neighbouring towns from merging into one another), the parcel performed strongly due to its position between Wythenshawe and Hale and its role in maintaining the actual gap between these settlements. Development of AG2 and Timperley Wedge would reduce the actual gap between the settlements, however measures should be taken to prevent a reduction in the visual gap.
- 4.2.6 In terms of Purpose 3 (assisting in safeguarding the countryside from encroachment), the parcel performed strongly due to its lack of existing built development. Development of the site would lead to an increase in the built development within the parcel, however strong boundary treatments could potentially prevent further encroachment in the future.
- 4.2.7 The parcel made no contribution to Purpose 4 (preserving the setting and special character of historic towns) and was not assessed for Purpose 5 (assisting in urban regeneration by encouraging the recycling of derelict and other urban land). These have therefore not been considered as potential constraints to or opportunities for the site.

### 4.3 Land Ownership

- 4.3.1 The majority of the site is owned by Manchester City Council, with some of the northern area including the car parking area owned by UHSM and the protected Metrolink route under the ownership of TfGM. There are smaller private ownerships to the south but these are not considered to have an impact on the potential masterplan.
- 4.3.2 Bluemantle, with which UHSM is in a joint property venture, has expressed its support for development of the site. This is set out in its response to the Draft GMSF 2016 consultation in Section 3.5 and the outcomes of the meeting between Arup and Bluemantle described in Section 5.3.
- 4.3.3 In terms of significant opportunities for the site, Bluemantle identified the potential for development relating to the health sector and linking in with the rest of Medipark. This was recognised as a way of differentiating the site from other nearby sites such as Airport City South, as the abundance of viable nearby sites for more generic employment development is recognised as a potential constraint in terms of delivering development on the site.

### 4.4 Transport

- 4.4.1 The Transport Evidence Base for the GMSF is currently emerging, and the constraints and opportunities identified in this section reflect the conclusions of the parts of the transport evidence base that have been made available. Further work will be completed on transport evidence in the form of 'Area Studies' for each area of Greater Manchester, which will provide further details on constraints and opportunities which may affect the delivery of the Roundthorn Medipark Extension from a transport perspective.

## High Speed 2 (HS2) Phase 2

- 4.4.2 The delivery of HS2 Phase 2 is a key opportunity for the site due to its proximity to the proposed Manchester Airport HS2 station. This would be operational from 2033, towards the end of the GMSF plan period. HS2 will connect Manchester Airport to London Euston in 63 minutes, radically altering the travel geography of the UK and delivering potentially transformative economic benefits for both the North and the South-East. It is anticipated that a network of new access roads will be required to provide connections to the Airport HS2 station, providing access to the airport, the M56 motorway, local communities and development sites including Medipark.

## Manchester Airport

- 4.4.3 The ongoing expansion of Manchester Airport also presents a key opportunity. Airport City Manchester is an ongoing programme throughout the plan period to provide more manufacturing, logistics, office and leisure facilities around the Airport. The site is located in the Manchester Airport City Enterprise Zone, and is therefore well positioned to benefit from ongoing investment in the airport.
- 4.4.4 The Airport itself is also subject to proposals to provide enhanced facilities for passengers. As part of this expansion, Transport for Greater Manchester have recently submitted a funding bid to the Department for Transport, to extend the Metrolink Airport line with an additional stop at Terminal 2, supporting the future development in the area.

## Metrolink

- 4.4.5 There are also aspirations for further expansion of the Metrolink network during the GMSF plan period. The Western Loop Line is proposed to directly link Manchester Airport and Medipark through an extension from the Roundthorn stop to the north of the site. This would effectively complete the existing Wythenshawe loop and provide more direct access between Medipark and the hospital and Manchester Airport, Airport City, and the planned HS2 station. It could also support the provision of higher density development around the proposed new stops.
- 4.4.6 It is understood that the planned alignment for the new line would travel along the eastern edge of the hospital site and Medipark South, and cut around the south eastern corner of Medipark Extension with a station at the hospital and a second on the edge of Medipark Extension next to Newall Green High School. An alternative alignment, recommended in the Medipark Campus Masterplan (2014), would cut through the centre of both Medipark South and the Medipark Extension along the same alignment as the proposed new link road shown in Figure 3. Instead of two stops, there would be a single stop in the centre of the Medipark South site.
- 4.4.7 The alternative alignment would have advantages for Medipark South and the Baguley Quarter if a new station was provided around the centre of the Medipark South site, as it would be more centrally located and therefore more accessible for workers and visitors. However, if the development of the Medipark Extension is

brought forward, the planned alignment would be more convenient for these workers. It would also provide a dedicated stop for users accessing UHSM.

## Existing Constraints

- 4.4.8 There are three existing gated access points to the site – one in the west and two in the east. They are not aligned well with the surrounding residential and employment areas, limiting permeability for all modes of transport. Potential access points would be considered at locations where existing roads connect surrounding residential and employment areas with the site.
- 4.4.9 There are identified cycle routes around the site, such as along Floats Road, but they do not serve the site directly and there is no designated cycle space on nearby roads. Footways also have limited provision along the roads that border the site. There are opportunities to develop routes for active travel, i.e. walking and cycling, around and across the site, from east to west and from north to south, by expanding the current cycle network.
- 4.4.10 The closest bus stops to the site are located on Greenbrow Road. While these are located close to the eastern boundary of the site, access is currently difficult and the easiest bus stops to reach are on Southmoor Road, around 370 metres from the north of the site. There are also bus stops on Floats Road but they are not currently in use.

## 4.5 Green and Blue Infrastructure

- 4.5.1 The site is broadly level, dominated by agricultural grazing land loosely separated into small field parcels with mostly treed boundaries. Much of the agricultural land appears to be in use for stabling and the keeping of horses. Playing fields associated with Newall Green High School are located in the south east of the site with treed and fenced boundaries, grass and artificial surfaces and floodlighting. The eastern boundary is formed by Fairywell Brook, where the land drops slightly into the brook which is surrounded by dense vegetation along its length.
- 4.5.2 There are generally no significant environmental or ecological designations (such as Site of Biological Importance) on the site. The local designation of ‘Biodiversity Habitat’ applies to sections of the site including the playing fields in the south east and a line of vegetation running north west to south east through the centre of the site. It is understood from discussions with MCC that the preservation of these habitats should be prioritised through development where possible.

## 4.6 Flooding

- 4.6.1 The area around Fairywell Brook is largely designated as Flood Zone 3, meaning that there is a 1% or higher annual chance of flooding. This area is shown as a key constraint in Figure 3. Development would have to involve mitigation of flood risk, which is likely to involve no development in Flood Zone 3 subject to sequential and exception testing.

## 4.7 Other Constraints and Opportunities

### Heritage

- 4.7.1 There are three Grade II listed buildings in the south east of the site. All of these are part of Newall Green Farm. The setting of these buildings will need to be protected, which is likely to involve setting development back from them. A Heritage Impact Assessment is likely to be required for development that may affect heritage assets around the allocation.

### Airport Safeguarding

- 4.7.2 The site is covered by building height restrictions related to safe development heights around Manchester Airport. Development is limited to a height of 15 metres (around 5 storeys). It is unlikely that this would represent a major constraint to the delivery of the proposed level of employment floorspace on the site.

## 4.8 Key Constraints and Opportunities

- 4.8.1 Information has been gathered on a number of different types of potential constraints and opportunities development, as set out above. This information has then been rationalised into a single plan of key constraints and opportunities. This presents the constraints and opportunities for the site that have been recognised to have a significant impact on the way that development is delivered.
- 4.8.2 This includes constraints that may prevent development in particular areas of the site, such as Green Belt designation and Flood Zones 2 and 3, and features and potential features that may create particular opportunities for development such as proposed transport links. This plan is presented in Figure 3.

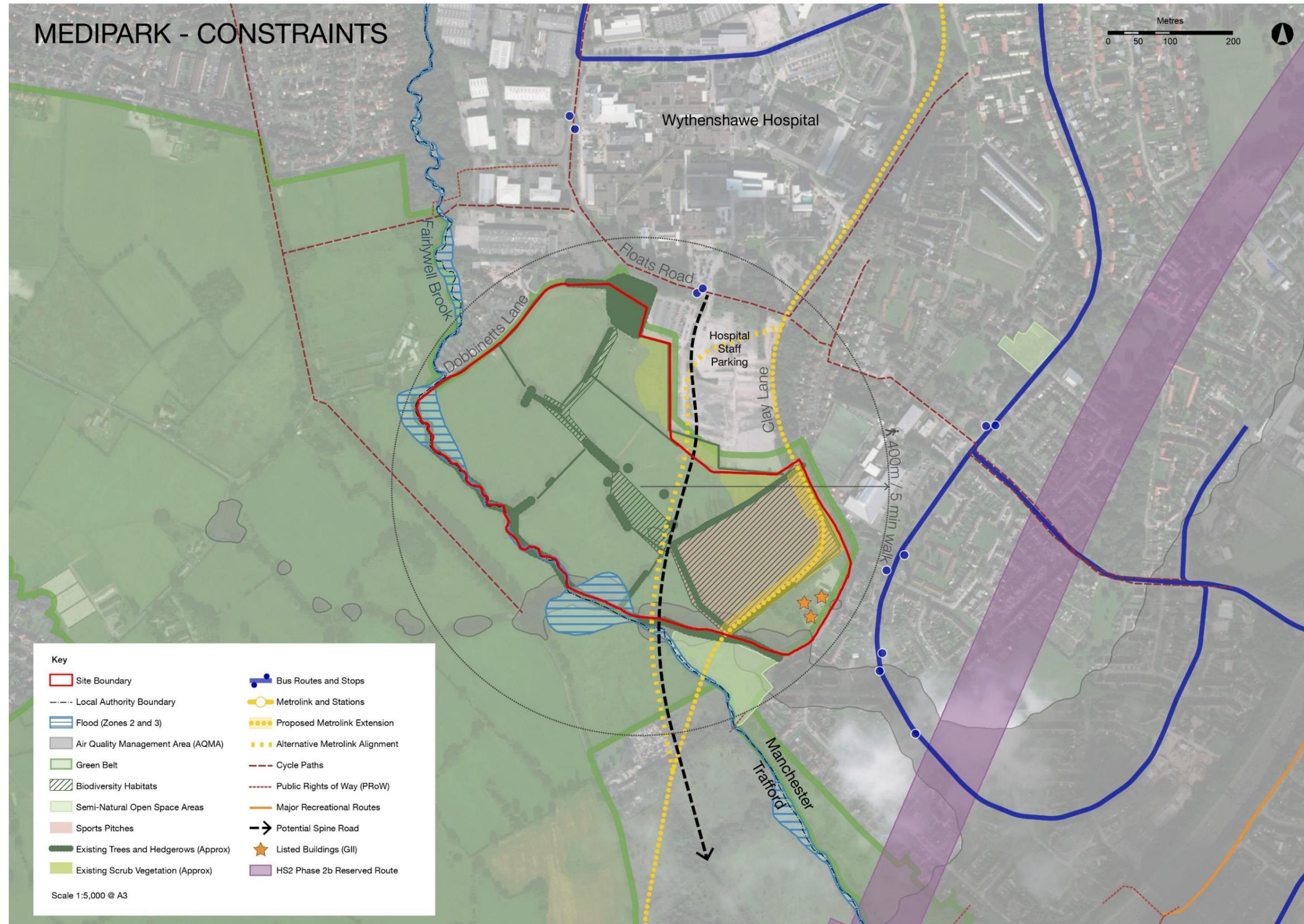


Figure 3: Key Constraints and Opportunities for AG2 Roundthorn Medipark Extension

## 5 Consultation and Engagement Process

### 5.1 Introduction

5.1.1 This section sets out the consultation and engagement process that has been used throughout this commission. This includes an outline and justification of the engagement process taken, and a summary of the findings from this process.

### 5.2 Previous Consultation on Development

5.2.1 As with the other proposed site allocations, the allocation at Roundthorn Medipark Extension was consulted on between October and November 2016 as part of the Draft GMSF 2016 process. A summary of the responses given relating to the site are given in Section 3.5.

### 5.3 Landowner and Other Stakeholder Consultation

#### University Hospital South Manchester (UHSM) / Manchester University NHS Foundation Trust (MFT) and Bruntwood

- 5.3.1 Arup met with the Trust and Bruntwood on 9<sup>th</sup> May 2018. The agenda was to understand progress, updates, hopes and aspirations for the site. It was also important to understand the recent Trust Merger activity and position regarding the wider Hospital Estate position.
- 5.3.2 On 1<sup>st</sup> October 2017, Manchester University NHS Foundation Trust (MFT) was created, through the merging of Central Manchester University Hospitals NHS Trust (CMFT) and the University Hospital of South Manchester NHS Foundation Trust (UHSM).
- 5.3.3 This brings the management of the hospital estate, including Wythenshawe, under the control of the newly formed MFT.
- 5.3.4 The former CMFT had a property partnership with Bruntwood, who advised the Trust on all their property matters. The former UHSM had a partnership with Bluemantle. Both firms have effectively been ‘novated’ across to the new Trust and continue to both provide their advisory services.
- 5.3.5 The Wythenshawe Hospital site is currently undergoing a masterplanning exercise, which is due to report at the end of 2018. It is taking a ‘healthcare planning’ approach and will potentially free up land within the hospital for development and identify future hospital development needs. This includes a specific focus on the southern part of the hospital site (known as the Baguley site), directly to the north of the site and Floats Road.
- 5.3.6 Broadly, the Trust need to understand the outcome of their masterplanning exercise to fully inform this report. However, their emerging thoughts are summarised and interpreted herein. This approach allows this report to be progressed on this basis.

- 5.3.7 The Trust’s masterplanning approach keeps the hospital at its heart. This is balanced against the need for the financial investment in the estate and the ability to fund capital investment through creating an income stream(s).
- 5.3.8 The Trust set out that while ‘Med-Tech’ would be an appropriate use of the site a mix of uses that could include Med-Tech would be considered more appropriate.
- 5.3.9 Parking remains a key issue at the hospital and it is considered that any loss of the Jurassic car park would need replacing.
- 5.3.10 Major change does of course require major infrastructure change. This may include arterial and internal roads around the site and how / whether these link to new roads, for example through Timperley Wedge and towards the M56. The proposed spine road would provide this opportunity and open up the south of the hospital, which has the potential to offer a new entrance area to the hospital as well as development opportunities for the site itself.
- 5.3.11 The Trust is keen to progress development opportunities and to work in partnership, particularly with the City Council.

#### Bluemantle

- 5.3.12 On 3<sup>rd</sup> May 2018, Arup met with representatives of Bluemantle in order to understand the work undertaken on Medipark to date, understand Bluemantle’s ambitions and further understand the opportunities and constraints to inform the concept masterplan.
- 5.3.13 The conclusion of this meeting was that there was consensus over the potential of the site and its relationship with the health sector – i.e. that the USP of the site was its proximity to the hospital. In particular, building on the potential implementation of nearby schemes such as private healthcare facilities at Medipark South.
- 5.3.14 It was recognised that the proposed improvements to public transport access in the area, particularly Metrolink, would represent a step change. Masterplanning processes will be an opportunity to best integrate with Metrolink in particular to benefit the site in the long term.
- 5.3.15 It was also recognised that there is a significant office ‘offer’ in the area, particularly with development in the pipeline such as at Airport City. The health sector-related opportunity will therefore need to be maximised in order to differentiate the site from alternative locations, some of which are currently better located in terms of infrastructure and profile.
- 5.3.16 One suggestion for a health-related opportunity was an exemplar social care village, linked to the hospital and high quality surrounding infrastructure that would be considered to attract other occupiers and be truly successful.

## 6 Concept Masterplan and Development Parcels

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### 6.1 Introduction

- 6.1.1 Building on the policy and consultation context, engagement with stakeholders and the mapping of key constraints and opportunities on the site, this section presents a 'concept masterplan' for the site and provides a vision for how the land may be developed.
- 6.1.2 This section provides a justification for the approach taken in terms of the different aspects of development, including employment development and the approach to green infrastructure and open space.
- 6.1.3 This section also provides a plan of development parcels that could be developed on the site. This then forms the basis for the viability assessment of the indicative proposed development set out in Section 7.
- 6.1.4 The concept masterplan for the site is presented in Figure 4.

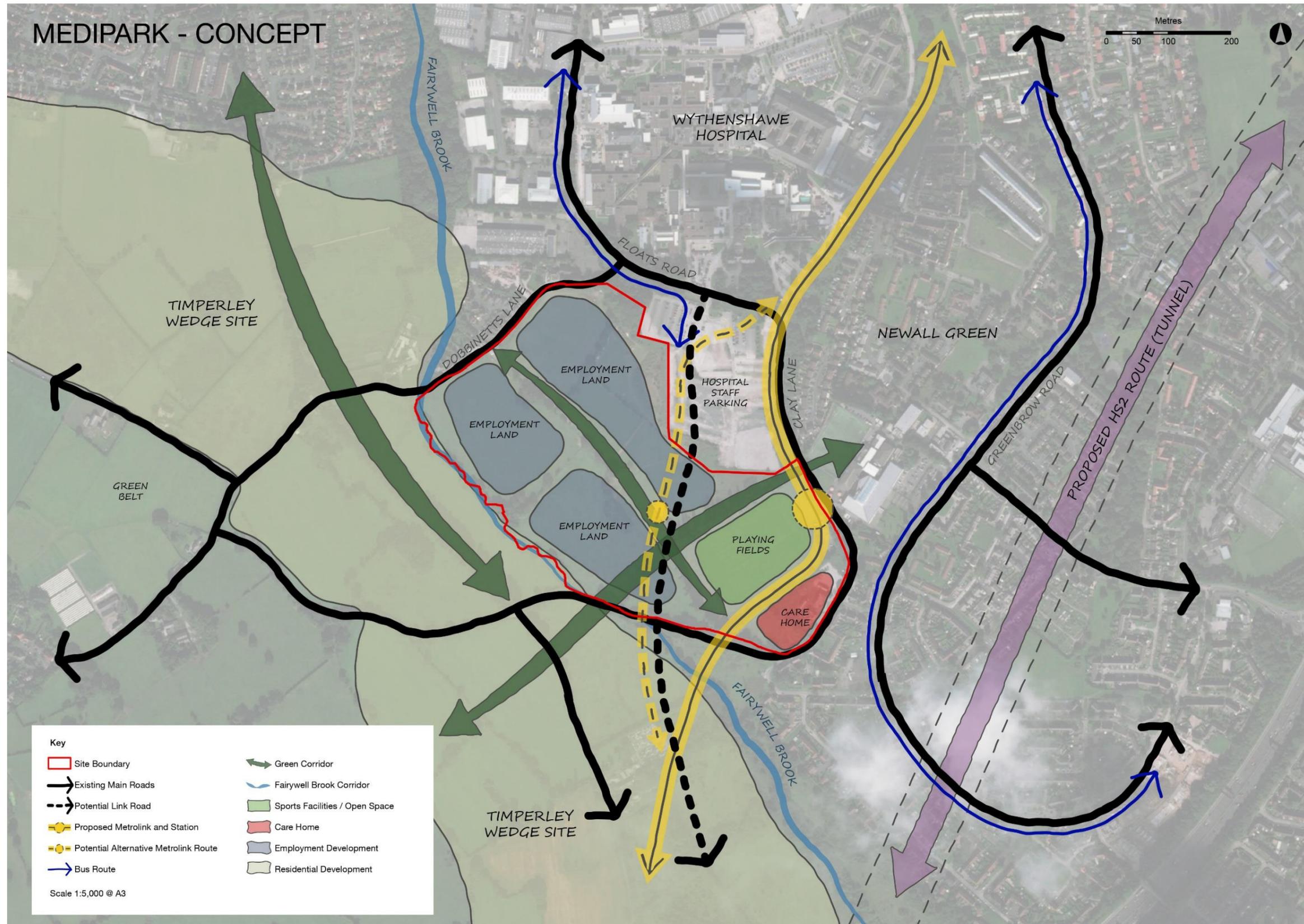


Figure 4: Concept Masterplan for AG2 Roundthorn Medipark Extension

## 6.2 Concept Masterplan Approach

6.2.1 This section sets out broad land uses proposed in the masterplan and justifies the approach to these accordingly. The key details below could potentially be incorporated into the GMSF policy for allocating this site.

### Employment Land

6.2.2 Development should involve the delivery of around 86,000 m<sup>2</sup> of high quality floorspace. Office development should be focused around health and knowledge-based industries taking advantage of the area's proximity to Wythenshawe Hospital and its Enterprise Zone status, proposed transport improvements such as Manchester Airport HS2 station and the Metrolink Western Loop Line. Development should be of high quality design and be sensitive to the character of the local area. There will also be opportunities to complement other development at Medipark.

### Green Belt

6.2.3 The 2016 Greater Manchester Green Belt Assessment found that Parcel AG13, which includes the land of the site, made a strong contribution to preventing sprawl and encroachment into the countryside and preventing the merging of Wythenshawe and Hale.

6.2.4 While it is acknowledged that development of the parcel, along with Timperley Wedge, would affect the performance of the Green Belt in the area, measures could be taken to reduce these impacts. This could include strengthening boundaries such as Fairywell Brook to provide a natural buffer between development, and sensitively developing the site in a way that could help prevent the feeling of sprawl, encroachment and merging. It is recognised that the development of Timperley Wedge would have greater impacts on the Green Belt than this site would in isolation.

### Green and Blue Infrastructure

6.2.5 It is recognised that the playing fields in the south east of the site are an important environmental and recreational local asset. Development of the site could therefore retain these fields.

6.2.6 Fairywell Brook should be enhanced as part of the overall development in order to be utilised as a blue / green corridor providing a natural buffer between development on the site and at Timperley Wedge. This should include locating development away from Flood Zones 2 and 3, and utilising natural drainage systems in keeping with the character of the area.

6.2.7 Development should support the existing biodiversity habitats that run through the site. These could be enhanced to provide green corridors across the site, facilitating walking and cycling.

## Transport

6.2.8 There are a number of major infrastructure proposals that are likely to create significant opportunities for enhanced transport provision on the site. Many of the proposals being brought forward are of major local or national significance, and will provide benefits to numerous development sites.

6.2.9 The proposed delivery of Manchester Airport HS2 station towards the end of the GMSF plan period will provide greater access between the site and central Manchester, Birmingham and London along with associated economic benefits. Other development taking place at the Airport, including economic development around Airport City, could also complement development at Medipark.

6.2.10 The provision of the Metrolink Western Loop Line with a stop at Medipark South would significantly enhance the public transport accessibility of the site. Either the planned alignment or the proposed alternative would provide direct access from the site to the rest of the Metrolink network. The alternative alignment could have greater advantages for Medipark South as a whole (pending confirmation of the location of stops) because it would be more centrally located, albeit potentially requiring a reconfiguration of development plots on the site. The planned alignment could provide greater direct access for residential areas of Newall Green and some sections of the main hospital site. The masterplan shows both alignments and demonstrates that both could be accommodated with minor revisions to the overall layout of the site.

6.2.11 Development will provide the opportunity to enhance the bus routes serving the site. This may include utilising some of the routes that currently serve Wythenshawe Hospital, and potentially serving the site directly via the proposed spine road.

6.2.12 Development should also involve the improvement of road access to the site. The proposed spine road through Medipark South would provide direct access to the site from Timperley Wedge and the hospital. Road capacity improvements are also likely to be delivered through development relating to Timperley Wedge and the HS2 station.

6.2.13 Active travel to and through the site should be improved through development. This may include providing green corridors through the site, including along existing biodiversity corridors, to promote walking and cycling. Sustainable linkages to the hospital, Newall Green and Timperley Wedge and other surrounding communities / areas should also be enhanced.

## 6.3 Phasing of Development

6.3.1 Following discussions with MCC, it has been assumed that development on the site will be delivered between 2028 and 2035.

## 6.4 Development Parcels

6.4.1 A plan has been developed to show the parcels of development land that could be delivered on the site to test whether the site can meet the development quantum (86,000 m<sup>2</sup>) set out in the Draft GMSF allocation.

6.4.2 In order to calculate the amount of land that is likely to be required to meet the development quantum, assumptions have been made relating to the development parcels. These are:

- Parcels would have an employment footprint (i.e. the land that is used for employment purposes and contributes to the development quantum) of 30% of the gross area of the parcel. This is based on standard industry practice for calculating developable areas on employment sites.
- Buildings used for employment purposes are assumed to have a height of two storeys, in keeping with the character and buildings of similar uses in the local area. A parcel with an employment footprint of 10,000 m<sup>2</sup> would therefore have a yield of 20,000 m<sup>2</sup> net employment floorspace.
- These assumptions do not substitute a detailed capacity study of the site, and are based on the available information on constraints. It is acknowledged that there are a number of current or planned features on the site that would act as constraints on development, including biodiversity habitats and the proposed spine road corridor. This has been considered through the calculations of the potential quantum of development on the site. It is considered that an increase in building height from two to three storeys could potentially be accommodated in some areas of the site to compensate if a more detailed capacity study finds a net developable area of below 30%.

6.4.3 This plan has been used as the basis for the viability assessment of the indicative proposed development set out in Section 7.

6.4.4 Table 3 shows the gross area and net developable area of each parcel and the development floorspace that could potentially be delivered on each one:

Parcel	Gross area (ha)	Gross area (m <sup>2</sup> )	% Developable	Net area (m <sup>2</sup> )	Net floorspace (m <sup>2</sup> )
A	3.01	30,100	30%	9,030	18,060
B	4.21	42,100	30%	12,630	25,260
C	3.60	36,000	30%	10,800	21,600
D	3.87	38,700	30%	11,610	23,220
Total	14.69	146,900	-	44,070	<b>88,140</b>

Table 3: Development parcel areas for AG2 Roundthorn Medipark Extension

6.4.5 The plan showing the development parcels is shown in Figure 5.

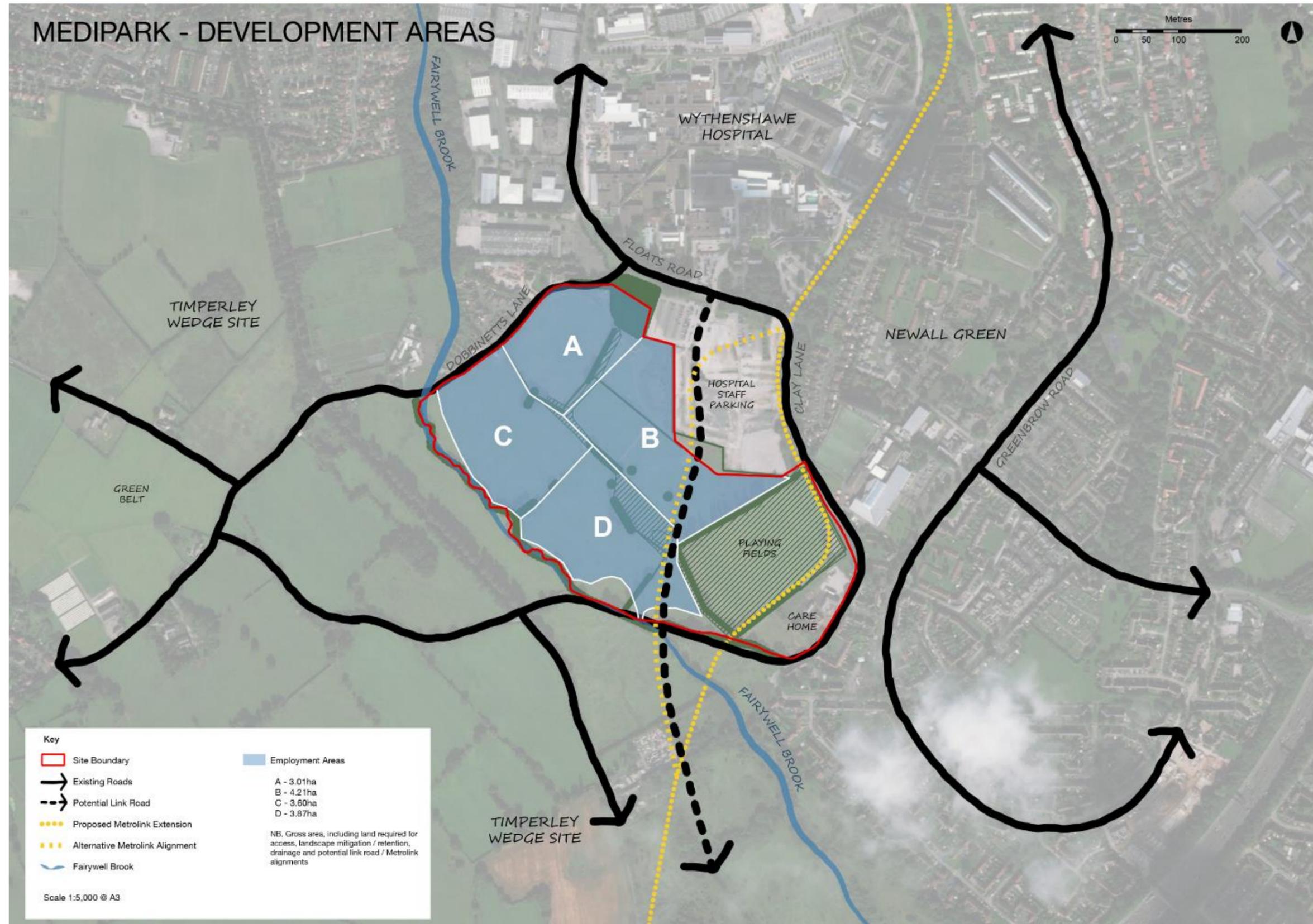


Figure 5: Development Parcels for AG2 Roundthorn Medipark Extension

## 7 Viability Assessment

### 7.1 Introduction

7.1.1 This section provides a viability assessment of the indicative proposed development. This has been undertaken in accordance with best practice, and identifies whether the development proposed through the concept masterplan will be viable and deliverable within the plan period.

### 7.2 Appraisal Assumptions

7.2.1 In respect of inputs into viability appraisals, the Royal Institution of Chartered Surveyors (RICS) guidance notes advise that these should disregard either benefits or disbenefits that are unique to the developer or landowner or both, and that inputs should reflect industry benchmarks as applied to the site in question.

7.2.2 In accordance with the principles for development set out in Chapter 6, it is envisaged that the site could be developed for a mix of high specification employment (predominantly B1) uses that have a medical focus, capitalising on the site's location. This would include, but not be limited to, office accommodation. The assumptions underpinning the appraisal are therefore drawn from the context of the South Manchester office market, along with examples of more specialist medical-related employment uses where possible.

7.2.3 In the context of the prevailing South Manchester office market, it is not expected that generic commercial premises will be speculatively developed on the site. Premises are more likely to provide specialised accommodation for occupiers with identified specific needs associated with servicing the adjacent medical facilities, or related research.

7.2.4 The adopted key appraisal assumptions for the Medipark are identified as follows:

#### Development Density

7.2.5 In respect of office premises, a density of 25,000 sqft per acre, reflecting a development footprint of around 30% for two-storey development, is assumed.

#### Rental and Capital Values

7.2.6 Reflecting the current rental tone of the South Manchester office market to include Airport City and Parkland in particular, and the specialist nature of assumed accommodation on the site as reflected in the examples given below, a rent of £25.00 per sqft is assumed.

- The rental tone for such accommodation at Cambridge Biomedical Campus ranges from £23 / sqft to £28 / sqft.
- Edinburgh Bio Quarter is being developed with very significant investment from Scottish Enterprise through a JV with NHS Lothian and the University of Edinburgh. New build accommodation fitted out with labs (i.e. costing significantly more than that assumed in our appraisals) is available on flexible

terms (impacting on investment value) at £25 / sqft. Quality offices in the same facility are available at £15 on more traditional lease terms.

- Nottingham Bio City (linked to Glasgow Medi City and Alderley Park) – is in part a refurbishment of the former Boots Chemist research facility and offers space at £12 / sqft. The new build Discovery Building used £24m from Nottingham City Council and £6m LGF monies and provides good quality associated office accommodation at similar rents.
- Cardiff Medi Centre – part of the Health Park, is an incubator unit aimed specifically at SME's on flexible occupancy terms that are outside the provisions of the Landlord and Tenant Act. It is quite small and managed on the basis of providing short term accommodation and assistance to fledge new ideas. Rents are c. £23/sqft on an all-inclusive basis. The facility was refurbished last in 2011 with Council and Welsh Assembly funding.

#### Land Disposal Value

7.2.7 It is assumed that the development land on the site will be prepared and serviced prior to the disposal of serviced development plots to end occupiers or developers of high quality commercial office accommodation.

7.2.8 Informed by the characteristics of the market for such accommodation, a minimum benchmark land value (reflecting landowners' reasonable expectations) of £250,000 per developable acre has been adopted for commercial office accommodation appraisal purposes.

#### Sales and Marketing Costs

7.2.9 Disposal costs, including sales and marketing costs in respect of office premises at Medipark are assumed in line with commercial industry practice at a combined rate of 20% of rental income.

#### Construction Costs

7.2.10 Informed by the Building Cost Information Service (BCIS) appropriate to the Medipark location, a base construction cost of £150 / sqft is assumed for high quality office accommodation.

7.2.11 External costs for commercial development are in addition to the adopted base construction rates. It would be expected that the cost of required external and infrastructure costs to typically being in a 10% to 20% range (of base construction cost) depending upon the nature and scale of development sites.

7.2.12 Reflecting the substantial landscaping and environmental characteristics of the site, a rate of 15% for external works is assumed.

#### Abnormal On-Site and Off-Site Costs

7.2.13 In addition to 'normal' costs that can reasonably be associated with the development of an allocated, greenfield, level and well drained site with adopted highways and utility / services with adequate capacity, abnormal costs should also be reflected in appraisals of viability.

7.2.14 With respect to this site, no significant ‘abnormal’ development costs have been advised that require additional specific reflection in the appraisals above the 15% external works provision noted above.

7.2.15 Any other off-site related costs, such as Section 106 contributions and enhancement of public transport facilities and infrastructure, are excluded from the appraisals.

#### **Professional Fees and Contingency**

7.2.16 Professional fees at 10% have been adopted.

7.2.17 A developer’s contingency of 5% has been adopted.

#### **Costs of Development Finance**

7.2.18 A finance rate of 7% inclusive of arrangement and monitoring fees is assumed to reflect the cost of finance currently available in the development market for commercial developments of the type being appraised.

#### **Developer Profit**

7.2.19 For the purposes of the appraisals, a profit level of 18% of total development cost has been adopted, reflecting the pre-let/sale nature of expected development.

### **7.3 Viability Outcomes**

7.3.1 The proposed level of development set out in Chapter 6 and the appraisal assumptions set out above had been considered in calculating whether this level of development is deemed viable.

- It is considered that the development of around 88,140 m<sup>2</sup> specialist medical-related offices and other employment space on the site would be viable, creating a land value of around £360 / acre.
- As set out above, this value assumes no exceptional / abnormal development costs such as significant highways or public transport investment. Such costs would negatively affect the land value.
- The considered development costs assume primary road and services infrastructure to support development of the site is in place. These costs will erode the land value.
- No Section 106 contributions are assumed.
- There is no clear market precedent for this type of office development at the assumed £25 / sqft. However, this value is considered reasonable based on the quality of the assumed fit out.

### **7.4 Conclusions**

7.4.1 The viability assessment for the Roundthorn Medipark Extension has been undertaken in a manner than complies with the guidance provided in the RICS guidance note on Financial Viability in Planning.

7.4.2 This assessment indicates that development of the site for high specification, medical-related office space and other employment land would be financially viable.

## 8 Conclusion and Next Steps

### 8.1 Conclusions

- 8.1.1 This section provides a conclusion, summarising the findings of the report and recommending next steps for how this work can be progressed through the next draft of the GMSF and beyond.
- 8.1.2 This report provides an assessment of viability and deliverability of the proposed Roundthorn Medipark Extension allocation as part of the evidence base for the GMSF.
- 8.1.3 Deliverability has been demonstrated as required by the NPPF, by assessing whether development of the proposed allocation would be suitable, available and achievable. As set out in the introduction to this report, development has been broadly assumed to be available as it has been promoted by major landowners. Further discussion and consultation with landowners and other stakeholders has taken place throughout the process of producing this report, which has generally demonstrated that the site will be available.
- 8.1.4 This report has tested the suitability and achievability of development through the exploration of constraints and opportunities on the site. This has resulted in the production of a 'concept masterplan', which sets out an indicative plan of the type and scale of development that would be suitable.
- 8.1.5 Achievability has been tested through the process including through a viability assessment of the proposed quantum of development, based on the concept masterplan. This information, taken together, has demonstrated that development of the site would be commercially viable, and achievable.
- 8.1.6 Due to proposals for HS2 and Metrolink extensions the site is expected to have very good local and regional connectivity. It should be noted, however, that work is currently ongoing for the transport evidence base for the GMSF. This is understood to include geographically-specific 'area studies', which are expected to include further details on transport constraints and opportunities for the GMSF sites including Roundthorn Medipark Extension. This will therefore confirm whether transport infrastructure is or can be made to be sufficient for the proposed development to be achievable.
- 8.1.7 The level of development tested for viability in this report would involve the development of around 88,140 m<sup>2</sup> of high specification employment (predominantly B1) uses that have a medical focus, in accordance with the level of development set out in the Draft GMSF 2016. This does not mean that a different level of development on the site could also be viable and deliverable.

### 8.2 GMSF Second Draft and Consultation

- 8.2.1 This report, including the concept masterplan and viability assessment, will be used as evidence to support the second draft of the GMSF. This is being prepared with inputs from all ten authorities with similar information on the deliverability of their allocations. Together, this will provide the robust evidence base that will

support the GMSF through the examination process and demonstrate its deliverability in terms of the housing and employment numbers involved on the strategic sites.

- 8.2.2 This second draft is due for public consultation later in 2018 for a 12-week period.
- 8.2.3 Following the consultation period, the GMSF will be submitted for examination following consultation on the pre-submission draft.

### 8.3 Recommendations for Future Development Policies

- 8.3.1 This section sets out recommendations for policy and supporting text for development of the site, to ensure that sustainable development meets the existing and future development needs and is sensitive to the local context.
- 8.3.2 Development of the site would involve the removal of the site from the Green Belt, and the drawing of new Green Belt boundaries in the area. Loss of Green Belt will be minimised where possible through the efficient use of land.
- 8.3.3 The revision of Green Belt boundaries in the area will be influenced by the proposed development adjacent to this site at Timperley Wedge. If Timperley Wedge is developed as proposed in the Draft GMSF 2016, it is likely that the Roundthorn Medipark Extension will not share any boundaries with the revised Green Belt. If Timperley Wedge is not developed in this way and the Roundthorn Medipark Extension does share boundaries with the Green Belt, these boundaries should support the NPPF by being defined clearly, using physical features that are readily recognisable and likely to be permanent.
- 8.3.4 In order to secure the release of the site from the Green Belt, exceptional circumstances will need to be demonstrated that show that the potential benefits of releasing the land would outweigh any harm to the Green Belt. This should be justified by relating to the unique opportunity that the site presents for medical-related employment uses due to its proximity to the hospital. These uses should therefore be included in the allocation policy for the site.
- 8.3.5 Enhanced green infrastructure should be provided through the development of the site, and made accessible for both employment users and local residential communities. Attractive green corridors should be provided to encourage active travel through the site. The existing playing fields on the site should be retained.
- 8.3.6 Existing biodiversity habitats should be preserved and enhanced where possible, and any impact of development should be mitigated. Fairywell Brook should also be preserved and enhanced, and development should be configured in a way that mitigates flood risk, which is likely to involve no development in Flood Zone 3 around the Brook subject to sequential and exception testing.
- 8.3.7 Heritage assets including the listed buildings at Newall Green Farm should be protected, potentially by locating development back from the setting of the buildings.
- 8.3.8 Development should be configured in a way that takes advantage of the significant opportunities around transport infrastructure in the area, including the

ongoing redevelopment of Manchester Airport and the development of the proposed HS2 station.

8.3.9 It should be ensured that the proposed Metrolink Western Loop Line includes a station that serves the site. The alternative alignment for the line, as set out in the 2014 Medipark Campus Masterplan, could serve workers accessing the site more directly. The line should also be configured in a way that provides access for nearby residential communities in Newall Green.

8.3.10 Where there are opportunities to support developer contributions these should be sought to provide improvements to transport access and open space on the site.

## 8.4 Summary of Conclusions

8.4.1 This report demonstrates that the development of around 86,000 m<sup>2</sup> (i.e. the policy requirement) of high specification medical-focused employment uses as set out would be suitable, available and achievable, and deliverable within the GMSF plan period.

8.4.2 In the context of the prevailing employment market in the area, it is not expected that employment premises will be speculatively developed on the site. Premises are more likely to provide specialist accommodation capitalising on the unique opportunity to provide medical-focused employment uses on the site.

8.4.3 This unique opportunity should also provide the basis for demonstrating exceptional circumstances to justify the release of the site from the Green Belt.