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Local Policy Addendum – Application 140240/FO/2024

25 June 2024

This Addendum has been prepared to provide additional policy justification in support of planning application 140240/FO/2024, as requested by Manchester City Council (MCC) within its letter dated 19 June 2024. The application is for the 'Change of use of part of the 4th floor from office (Class E(g)) to educational (Class F1(a)) use'.

Whilst the proposals will result in the reoccupation of currently vacant office floorspace, a key policy consideration is the loss of 'employment floorspace' which approval and implementation of the application would result in. Bridgewater House was converted from warehouse use to office use in the early 1990s. The use of floorspace within the building is now split between Class E(g) office use and Class F1(a) educational use. Please refer to the tables within Appendix 1 which set out the existing floorspace configuration, and the proposed floorspace configurations.

Table 1 illustrates that whilst over 45,000 sq ft of floorspace within the building is in educational use, this represents just 20% of the total floorspace. Table 2 sets out the same scenario but with the western wing of the fourth floor changed to educational use. The table confirms that approval of the application would result in an increase of 6% educational floorspace, meaning that 74% would remain in office use.

We are aware that a live application (Ref: 140049/FU/2024) is currently under consideration for the change of use of the entire 5th floor from office to educational use, a total floorspace of 1,861.22 sqm. Whilst this is not a committed development and must be considered on its own merits, Table 3 confirms that even were both applications to be approved, approximately two thirds of the floorspace (65%) within the building would remain within office use.

Policy Review

Manchester Core Strategy (2012)

Policy EC 2 'Existing Employment Space'

In terms of the loss of employment floorspace, Core Strategy Policy EC 2 'Existing Employment Space' is key. The Policy states:

The Council will seek to retain and enhance existing employment space and sites. Alternative uses will only be supported on sites allocated accordingly, or if it can be demonstrated that:

- The existing use is un-viable in terms of business operations, building age and format;
- The existing use is incompatible with adjacent uses;
- The existing use is unsuitable for employment having had regard to the Manchester Salford – Trafford SFRA; or
- On balance, proposals are able to offer greater benefits in terms of the Core Strategy's vision and spatial objectives than the existing use.

The first and fourth bullet points are relevant to the proposed change of use and are reviewed in further detail below:

The existing use is un-viable in terms of business operations, building age and format

As is set out above, the majority of floorspace within Bridgewater House is within office use, and this would remain the case, even if pending applications were approved. It is possible that at some future point, the floorspace could be occupied by an office occupier, but in the 17 months since the fourth floor became vacant, no viable offer has been received.

Please refer to the correspondence from Savills who are the agents engaging with potential office and educational occupiers. Within this correspondence, Savills note:

'We refurbished the 5th floor over 12 months ago and have carried out viewings with office occupiers and educational users. As you will appreciate, due to the economic headwinds occupational demand is substantially down at the minute. Occupiers in the market are generally focussing on good quality space to attract their staff back to the office – which focuses around the three key tenets of ESG credentials; amenity offer; and quality of space. This has resulted in larger occupiers focussing on new build stock over older refurbished buildings.'

The re-use of part of the fourth floor represents a creative approach to the market, ensuring that despite the lack of interest from office occupiers, the space can be economically productive, enable the creation of employment, as well as contributing to the surrounding economy. In terms of current market circumstances, it is clear that the application is in accordance with the first bullet within Policy EC2.

On balance, proposals are able to offer greater benefits in terms of the Core Strategy's vision and spatial objectives than the existing use.

Whilst the relevant part of the 4th floor is within lawful office use, it is currently vacant and has been vacant since January 2023, providing no benefit to the Core Strategy vision and spatial objectives. The proposed change of use of the space is considered against the Core Strategy vision and spatial objectives within the table below.

Policy	Summary	Response
Spatial Objective SO1 'Spatial Principles'	Within the context of mitigation and adaptation to climate change, the framework will guide the scale and distribution of various uses including education across the City.	The proposals fully align with SO1 in providing educational floorspace, to disused space, in a highly accessible location. The project will also see replacement of obsolete M&E equipment with lower emission equipment.
Spatial Objective SO2 'Economy'	The Regional Centre will continue to be the main focus for development including educational development, to further its role as a main employment location and primary economic driver of the City region.	Whilst the scheme will result in the loss of employment floorspace, it will lead to the creation of employment. Furthermore, the broader project includes the refurbishment of the

Policy	Summary	Response
		remaining part of the 4 th floor for office re-occupation.
Spatial Objective SO5 'Transport'	Improve the physical connectivity of the City, through sustainable and accessible transport networks, to enhance its functioning and competitiveness and provide access to jobs, education, services, retail, leisure and recreation.	The proposed use of currently vacant space with an educational use is in accordance with SO5 as the vast majority of students will travel by public transport, with that investment contributing towards enhancement.
Spatial Objective SO6 'Environment'	Protect and enhance both the natural and built environment of the City and ensure the sustainable use of natural resources, in order to mitigate and adapt to climate change, support biodiversity and wildlife, improve air, water and land quality, recreational opportunities and provide networks of high quality green infrastructure, ensuring that the City is inclusive and attractive to residents, workers, investors and visitors.	The proposals are in accordance with SO6 as the re-use of currently vacant space; enabling the expansion of an existing educational provider within the building, removes a potential requirement for them to construct new premises, likely in an out-of-centre, less sustainable location.

The proposals are also in accordance with the Core Strategy Vision in that the re-use of currently vacant office floorspace will assist Manchester in becoming a successful sustainable and accessible City in the front rank of cities in Europe and the world; contribute to the City's knowledge based economy; help Manchester to meet the challenge of climate change due to the accessibility of the building; increase use of the City's public transport infrastructure; contribute to the City's strong national and international connections (all students are international); and contribute towards the preservation of the City's historic environment.

Other Core Strategy Policies

The proposals have also been considered in relation to the following Core Strategy policies:

CC 7 'Mixed Use Development' – Bridgewater House is an established mixed use office and education development, which CC7 regards the City Centre as being the most viable location for. The proposals will enable the re-use of vacant space.

CC 9 'Design and Heritage' – In addition to the change of use, the proposals include the comprehensive refurbishment of the 4th floor and part of the ground floor (Refer to LBC 140228/LO/2024) including exposing original building features. Approval of the change of use application will help to preserve and enhance Bridgewater House which is a Grade II Listed Building. The Policy also states that the Council will support mixed use development in the City Centre.

CC 10 'A Place for Everyone' – INTO provide educational courses for international students. The proposed change of use is in accordance with CC10 in that it will assist the City Centre in developing as a location which appeals to a wide range of residents/visitors; and is a use which will increase diversity of activity. The building is fully accessible.

Policy T2 'Accessible areas of opportunity and need' – The proposed re-use of the space as educational floorspace accords with Policy T2 due to it being easily accessible by walking/cycling/public transport.

Policy DM1 'Development Management' – All matters set out within Policy DM1 have been considered in INTO aspiring to occupy the space, and in terms of the submitted design, including effects on amenity (including proposals which may be sensitive to existing environmental conditions such as noise); accessibility; community safety and crime prevention; vehicular access and car parking; refuse storage and collection; and effects relating to archaeological or built heritage.

Places for Everyone (2024)

The Places for Everyone Plan (2024) was adopted by Manchester City Council in March 2024. A response to each of the following policies is provided:

Policy JP-Strat2: City Centre – In line with this policy, the proposals will enable people to take advantage of the access to education and training and the extensive public transport offer, reducing the need to travel to work whilst supporting economic growth and reducing levels of poverty

Policy JP-J1: Supporting Long-Term Economic Growth – Through the expansion and improvement of the INTO educational facility, the proposals will support long term economic growth including via the provision of courses in Aerospace, Chemical and Civil Engineering; Biosciences; Computer Science; Mechanical and Electrical Engineering; Pharmacy; and Physical and Natural Sciences. INTO is a partner with Manchester University and located adjacent to Corridor Manchester. The improvements to M&E to the ground and fourth floor (including to the office space not proposed for change of use, will assist the region's efforts to grasp economic opportunities from the global transition to a low carbon economy.

Policy JP-J2: Employment Sites and Premises – Whilst the application proposals will result in the loss of some office space, INTO's expansion into the fourth floor will result in the creation of 40 jobs. Policy JP-J2 encourages the delivery of new floorspace, but recognises the important roll that 'second-hand' floorspace plays particularly in the provision of lower cost space. INTO's expansion into the fourth floor is a creative use of space which does not appeal to the highest-value 'blue chip' office occupiers, whilst also enabling its comprehensive refurbishment (including for potential office occupiers to the east wing), and the creation of employment.

Policy JP-J3: Office Development – Notes that at least 2,019,000 sqm of accessible new office floorspace will be provided in the Plan area over the period 2022-2039, with a focus on Manchester City Centre accounting for more than half of all new office floorspace in the sub-region. As is evident from the marketing of the fourth floor, high quality office occupiers are looking towards the new stock which this policy is committing to the delivery of, meaning that existing building operators are needing to be more creative to avoid long term vacancy.

Policy JP-P5: Education, Skills and Knowledge – The proposals accord with this Policy which seeks 'significant enhancements in education, skills and knowledge to benefit existing and new residents'. The application proposals will enable the delivery of an expanded and improved INTO facility at Bridgewater House which provides courses for international students from 16 years +. INTO's expansion also helps to support the continued growth and success of the university sector through the

enhancement of its existing campus, and helps to develop Greater Manchester as the UK's best destination for students.

Overall Benefits

In terms of the overall benefits of approval of the change of use of part of the fourth floor from office use to educational use, these can be summarised as follows:

- The additional space will allow INTO Manchester to recruit 150 more International students per annum. Each student will be studying for at least 4 years in the UK, with an estimated 120 remaining in Manchester for the full 4 years. The contribution to the local economy for each cohort of students can be conservatively estimated at £12m in tuition fees alone with an additional £8m in rent and living costs.
- INTO anticipates that expansion into the fourth floor of the building will lead to the creation of approximately 40 new jobs. Conversion of the application floorspace will provide teaching facilities for a projected occupancy of circa 190 students, educators and staff members.
- Facilitates the part-occupation of the Grade II Listed building's fourth floor, with a use that will help to secure its long-term future.
- Supports the expansion of INTO which provides education across a range of different levels, supporting the educational development of its students. INTO already occupies several floors at Bridgewater House and change of use of the subject floorspace will provide functional and operational benefits as well as enabling increased capacity.
- Establishes a use that will have a positive impact on the ongoing regeneration of this part of the City Centre. The activity of additional students, teaching staff and other employees will have a positive impact on the local economy through spending in nearby retail and leisure facilities.
- Involves the reuse of part of a building which is in a highly sustainable and accessible location, with these benefits contributing significantly to the viable and sustainable regeneration of the broader area.
- Is part of a broader project which will also see the refurbishment of the remainder of the fourth floor, so that it can be brought back into the office use.
- The replacement of the existing M&E systems to part of the ground floor, and all of the fourth floor, removing the need for gas fired boiler heating, will result in more energy-efficient floorspace, and improve the environmental performance of the building.
- Will encourage further investment into the City Centre and the provision of a use that will encourage natural surveillance to help reduce crime and the fear of crime.

The proposed scheme fully accords with local planning policy guidance.

Appendix 1: Floorspace Tables

Table 1: Existing Floorspace Configuration

Unit	Floor Area	Use Class E	Use Class F1
Pt Ground Floor G01	3,746		3,746
Ground Floor G02	2,680	2680	
1st Floor 101/102/103	6,920	6920	
1st Floor 104 & 105	11,959		11,959
2nd Floor 201	5,283	5283	
2nd Floor 202	15,391		15,391
3rd Floor 301	2,096	2096	
3rd Floor 302	9,285		9,285
3rd Floor 305	5,108		5,108
3rd Floor 301a & 306	2,821	2821	
4th Floor 401	14,586	14586	
4th Floor 402	1,345	1345	
4th Floor 403	2,843	2843	
4th Floor 404	1,517	1517	
5th Floor	20,034	20034	
6th Floor 601	20,797	20797	
7th Floor 706	7,255	7255	
7th Floor 701 & 8th Floor 803	17,183	17183	
8th Floor 801	7,462	7462	
8th Floor 802	11,360	11360	
8th Floor 802	6,054	6054	
9th Floor 901	17,143	17143	
10th Floor	1,106	1106	
Sub-Basement 01	512	512	
Sub-Basement 02	179	179	
Sub-Basement 03	300	300	
Sub-Basement 04	910	910	
Sub-Basement 05	1,295	1295	
Sub-Basement 07	900	900	
Sub-Basement 08	378	378	
Sub-Basement 09	390	390	
Sub-Basement 11	200	200	
Sub-Basement 12	566	566	
Sub-Basement 13	153	153	
Strong Room 4	119	119	
Basement 01	21,745	21745	
Sub-Basement 06	853	853	
Sub-Basement 10	1,723	1723	
	224,197	178,708	45,489
		80%	20%

Table 2: Proposed Floorspace Configuration (including fourth floor change of use)

Unit	Floor Area	Use Class E	Use Class F1
Pt Ground Floor G01	3,746		3,746
Ground Floor G02	2,680	2680	
1st Floor 101/102/103	6,920	6920	
1st Floor 104 & 105	11,959		11,959
2nd Floor 201	5,283	5283	
2nd Floor 202	15,391		15,391
3rd Floor 301	2,096	2096	
3rd Floor 302	9,285		9,285
3rd Floor 305	5,108		5,108
3rd Floor 301a & 306	2,821	2821	
4th Floor 401 - INTO	13,932		13,932
4th Floor 402	6,500	6500	
5th Floor	20,034	20034	
6th Floor 601	20,797	20797	
7th Floor 706	7,255	7255	
7th Floor 701 & 8th Floor 803	17,183	17183	
8th Floor 801	7,462	7462	
8th Floor 802	11,360	11360	
8th Floor 802	6,054	6054	
9th Floor 901	17,143	17143	
10th Floor	1,106	1106	
Sub-Basement 01	512	512	
Sub-Basement 02	179	179	
Sub-Basement 03	300	300	
Sub-Basement 04	910	910	
Sub-Basement 05	1,295	1295	
Sub-Basement 07	900	900	
Sub-Basement 08	378	378	
Sub-Basement 09	390	390	
Sub-Basement 11	200	200	
Sub-Basement 12	566	566	
Sub-Basement 13	153	153	
Strong Room 4	119	119	
Basement 01	21,745	21745	
Sub-Basement 06	853	853	
Sub-Basement 10	1,723	1723	
	224,338	164,917	59,421
		74%	26%

Table 3: Proposed Floorspace Configuration (including fourth floor and fifth floor change of use)

Unit	Floor Area	Use Class E	Use Class F1
Pt Ground Floor G01	3,746		3,746
Ground Floor G02	2,680	2680	
1st Floor 101/102/103	6,920	6920	
1st Floor 104 & 105	11,959		11,959
2nd Floor 201	5,283	5283	
2nd Floor 202	15,391		15,391
3rd Floor 301	2,096	2096	
3rd Floor 302	9,285		9,285
3rd Floor 305	5,108		5,108
3rd Floor 301a & 306	2,821	2821	
4th Floor 401 - INTO	13,932		13,932
4th Floor 402	6,500	6500	
5th Floor	20,034		20,034
6th Floor 601	20,797	20797	
7th Floor 706	7,255	7255	
7th Floor 701 & 8th Floor 803	17,183	17183	
8th Floor 801	7,462	7462	
8th Floor 802	11,360	11360	
8th Floor 802	6,054	6054	
9th Floor 901	17,143	17143	
10th Floor	1,106	1106	
Sub-Basement 01	512	512	
Sub-Basement 02	179	179	
Sub-Basement 03	300	300	
Sub-Basement 04	910	910	
Sub-Basement 05	1,295	1295	
Sub-Basement 07	900	900	
Sub-Basement 08	378	378	
Sub-Basement 09	390	390	
Sub-Basement 11	200	200	
Sub-Basement 12	566	566	
Sub-Basement 13	153	153	
Strong Room 4	119	119	
Basement 01	21,745	21745	
Sub-Basement 06	853	853	
Sub-Basement 10	1,723	1723	
	224,338	144,883	79,455
		65%	35%

Appendix 2: Correspondence from agent

From: Daniel Barnes
Date: 20 June 2024 at 11:16:35 BST
To: Paul Crowe
Subject: Bridgewater - Education Users

Hi Paul,

As discussed, Bridgewater House offers great accommodation for education users. Into have occupied the building for over 10 years and continue to expand and we generally have good interest from this type of occupier given the location, floor plate size and price point.

The refurbishment of the reception to create the business lounge/café/breakout enables the movement of numbers throughout the building and offers amenity to education users.

We refurbished the 5th floor over 12 months ago and have carried out viewings with office occupiers and educational users. As you will appreciate, due to the economic headwinds occupational demand is substantially down at the minute. Occupiers in the market are generally focussing on good quality space to attract their staff back to the office – which focuses around the three key tenets of ESG credentials; amenity offer; and quality of space. This has resulted in larger occupiers focussing on new build stock over older refurbished buildings.

Educational take up has propped the Manchester market up over the past few years. In 2023, in the absence of larger office requirements, the largest transaction was Arden University taking 42,944 sq ft at 2 Hardman Street. We were also involved in the University of Bolton taking 36,164 sq ft in Valo Building.

There are currently over 50,000 sq ft of educational requirements in the Manchester City Centre market and Bridgewater has the infrastructure and ability to accommodate these requirements.

Let me know if you need any further information in the meantime.

Thanks, Dan

Daniel Barnes BSc (Hons) MRICS
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