

**Manchester City Council
Report for Resolution**

Report to: Executive - 14 October 2020

Subject: Purpose Built Student Accommodation in Manchester

Report of: Strategic Director (Growth & Development)

Summary

This report informs the Executive of the outcome of a consultation exercise with key stakeholders, on purpose built student accommodation (PBSA) in Manchester. In addition, this report seeks the Executive's approval to use the outcomes to further inform a policy approach to purpose built student accommodation in Manchester, with a view of developing a policy position as part of the Local Plan review process, subject to further consultation.

Recommendations

The Executive is recommended:

1. To note the outcome of the consultation exercise with key stakeholders on purpose built student accommodation.
 2. To endorse the approach set out in the report to help guide the decision making process in advance of the review of the Local Plan and request the Planning and Highways Committee take this approach into material consideration until the Local Plan has been reviewed.
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Wards Affected – Deansgate, Piccadilly, Ardwick, Rusholme, Longsight, Hulme, Moss Side, Fallowfield, Withington, Old Moat, and Levenshulme

Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city

The suggested revised approach to Purpose Built Student Accommodation will only consider development of new accommodation in close proximity to the University campuses, reducing the need to travel, and thus minimising carbon emissions. Green travel plans will also be encouraged. There is also a key ambition to increase the quality of accommodation, which will be required to meet high standards of sustainability that contribute to achieving the zero carbon target.

Our Manchester Strategy outcomes	Contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and	Students make a significant economic contribution to Manchester whilst they live and study in the city.

opportunities	The development of assets within the Oxford Road Corridor area is vital to capture the commercial potential of research and innovation and help to realise the economic potential of the Corridor.
A highly skilled city: world class and home grown talent sustaining the city's economic success	A high quality residential offer for students in appropriate locations, is critical for Manchester's Universities ability to attract and retain students in a global market. The retention of highly skilled graduates from the city's universities is a key component in the drive towards a knowledge economy, and forming the critical mass of activity necessary to strengthen the economy.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Freeing up former student-lets and, therefore, increasing the supply of good quality homes for sale and rent will provide the opportunity for Manchester residents to raise their individual and collective aspirations.
A liveable and low carbon city: a destination of choice to live, visit, work	Managing the impact of large student populations on residential neighbourhoods will lead to improved local resident satisfaction. The city's liveability, sustainability and connectivity aspirations can be achieved by integrating green and smart ideas into new student developments, as part of the planning process. It is expected that journeys will be made using public transport and active modes, supporting the climate change and clean air policy responses.
A connected city: world class infrastructure and connectivity to drive growth	Student accommodation will be encouraged in areas which are in close proximity to both the University campuses and high frequency public transport routes.

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Students are exempt from paying Council Tax and in 2019/20 Manchester will forego almost £17m in tax revenue due to this exemption. There is potential to improve the

Council's Council Tax revenue through a reduction in student Council Tax exemptions in city centre and south Manchester properties by directing students to purpose built student accommodation (PBSA).

Financial Consequences – Capital

None arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Manchester Student Strategy - Report to Communities and Neighbourhoods Overview and Scrutiny Committee, 19th May 2009
- Student Strategy Implementation Plan – Report to Executive, 21st October 2009
- The Manchester Core Strategy - Adopted on 11th July 2012
- Manchester Residential Growth Strategy and Action Plan 2016/17 – Report to Executive, 2 March 2016
- Corridor Manchester Strategic Spatial Framework - Report to Executive, 7th March 2018
- Manchester Science Park Strategic Regeneration Framework Update - August 2018
- Oxford Road Corridor Strategic Regeneration Framework Guidance - November 2018
- Manchester Science Park (MSP) SRF update - Report to Executive, 14th November 2018
- Report to Executive - 13 November 2019 - Consideration of Policy H12: Purpose Built Student Accommodation Within the Changing Market Context

1.0 Introduction

- 1.1 Manchester is widely recognised as being in the top tier of international cities for higher education, rich in research excellence and innovation that is helping to drive the economy and generate jobs and growth. Key to Manchester's ambition of developing a world class education hub is the city's ability to compete for students, resources, and quality staff in a highly competitive global market. An important element of this relates to the city's residential offer, which has to be able to meet the expectations of students from home and abroad in neighbourhoods close to the universities and beyond.
- 1.2 Manchester has one of the largest student populations in Europe, with over 90,000 students at Greater Manchester's five universities, and over 380,000 students at the 22 Higher Education Institutions (HEIs) within an hour's drive. There were 74,164 students enrolled at one of Manchester's three HEIs in 2017/18, of which 48,393 had a term time address in Manchester (HESA). Of the remaining c.25,000 students, a significant proportion live at home with their families across Greater Manchester and beyond.
- 1.3 The resident student population makes an invaluable contribution to the city's economy, diversity and vibrancy whilst they study here. Graduates from Manchester's universities are one of the core assets underpinning a broad based, high skilled economy and the driving force behind some of Manchester's most valuable growth sectors in advanced manufacturing, health and life sciences. Manchester Universities have a high retention rate of students, with over 50% of students staying in the city after graduating.
- 1.4 The Council is committed to creating a sustainable and inclusive residential market that meets the demands of all residents across the city, alongside the Council's wider objectives. Previous reports to the Executive have highlighted how the make-up of Manchester's population has a direct link to changes in residential demand. In light of this, the Council must ensure that as the population expands, all residents have access to good quality accommodation, in terms of type, price and tenure. It is against this background that the Council and its partners have to consider how to approach the provision of student accommodation in the city.
- 1.5 Following the publication of the Student Strategy in 2009, fears of an oversupply of PBSA were raised in response to the announcement in 2010 that tuition fees would rise. At the same time, following the global economic recession, developers/investors started to see PBSA as an attractive investable proposition in comparison to other types of development including mainstream residential and commercial. It was against this backdrop, and the ensuing fall in undergraduate admissions, that the Core Strategy was developed.
- 1.6 Policy H12 of the city's Core Strategy (adopted in 2012) was developed with the objective of managing the supply of student accommodation in Manchester. It sets out the criteria which have been used to guide planning applications for student accommodation since then.

- 1.7 As reported to Executive on 13 November 2019, whilst Policy H12 remains relevant, and provides an effective tool in determining planning applications, market changes, which have seen higher numbers of second and third year students in particular living in the mainstream private rented sector in the city centre, set a new context in which the Policy needs to be interpreted and applied. This will primarily respond to affordability challenges and the need to locate accommodation in close proximity to the HEI's. The Executive agreed that key stakeholders should be consulted on the key policy considerations and issues on purpose built student accommodation, as detailed in the report and outlined in Section 4.0.

2.0 Background

- 2.1 The report to Executive in November 2019, set out a number of issues and considerations regarding purpose built student accommodation in Manchester, which would need to be considered in developing a policy position, as part of the review of Manchester's Local Plan. This was in response to the significant changes in both the demography (make up and location) and needs of the student population, and the wider development context, since the adoption of the Student Strategy, the Core Strategy and Policy H12.
- 2.2 Manchester's total student population is the largest concentration outside London, with a growing proportion of international students (prior to the COVID-19 crisis). International students are typically choosing to live in the city centre, driven by rising lifestyle expectations, property type and management.
- 2.3 There were c.24,000 total PBSA beds available to students in Manchester for the 2018/19 academic year, owned or leased by either the two Universities or the private sector. This accommodation varied in age, price and quality. In the period 2010/11 - 2018/19, 6,440 new homes have been built in the city centre, of which c.1,800 units were PBSA. This means that for most students choosing to live in the city centre, the mainstream lettings market is the most likely destination. The issues associated with this were outlined in the November 2019 report.
- 2.4 The Council has begun the process to review the Core Strategy, adopted in 2012; and remaining policies from the Unitary Development Plan (UDP) adopted in 1995. The new Local Plan will set out how the city should plan for new development, infrastructure and a growing population over the next 15 years, whilst ensuring the zero-carbon framework is achieved. An initial public consultation was held February - May 2020, on the issues to be covered in the new plan. The review of the Local Plan will consider the residential context in the city centre and is due to be adopted in 2023, after further consultation stages are completed.

3.0 Key Issues and Policy Considerations

- 3.1 The report to Executive on 13 November 2019, outlined some of the

considerations for reviewing Policy H12 and the policy on purpose built student accommodation within the changing market context, which should be included in the consultation. These are summarised below and are also set out in more detail in Appendix 1:

- a) The starting point for all student residential schemes should be that they contribute to delivering the regeneration objectives for the city; supporting employment growth, graduate and talent retention, place making and the city's international reputation.
- b) The approach needs to be within the context of the approved Corridor Spatial Framework which establishes the principle that development of land in the Oxford Road Corridor should prioritise commercial or educational/research use, in order to maximise the growth potential of the Corridor, recognising the limited availability of land. Student accommodation should, therefore, be in the right locations, in appropriate numbers, and only where it supports wider growth.
- c) As shown by the evidence, Manchester is one of the most expensive cities in the UK for PBSA. A more diverse pipeline of new PBSA is now needed to help stabilise rental growth. It is critical to ensure there is a residential market, which meets the needs of students at an affordable price.
- d) The overall quality of Manchester's PBSA stock is poor compared to other cities. For Manchester to remain competitive as a world class education hub, with an accommodation offer to match, the current level of poor quality accommodation needs to be addressed. New stock in appropriate locations represents an opportunity to deliver an improved student experience, which better reflects Manchester's institutions and its educational reputation overall, and also helps to contribute to sustainability targets. All PBSA must be of a high quality, providing a high standard of living, within close proximity to the city's higher education institutions.
- e) Linked to the above, purpose built accommodation should consider the welfare and wellbeing of students as a major factor, in both design and management. Ensuring that student accommodation is delivered in safe and secure locations, and with appropriate management and facilities, will be a fundamental consideration for any PBSA proposals. Location of accommodation close to University facilities is a critical issue in ensuring the safety and wellbeing of students.
- f) It is currently voluntary for private developers who build and operate PBSA to sign up to the three codes of practice required for higher education providers, which aim to ensure that accredited student accommodation is safe, good quality and reputable. These are:
 - The Universities UK/GuildHE Code of Practice for University Managed Student Accommodation.

- The ANUK/Unipol Code of Standards for Larger Residential Developments for Student Accommodation Managed and Controlled by Educational Establishments
- The ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation NOT Managed and Controlled by Educational Establishment.

It is suggested that, the principles included within these three codes of practice should be adopted for all new PBSA developments, whether private sector or educational establishment led.

- g) It should also be noted that owners of PBSA are not required to pay business rates on this accommodation, meaning that they currently do not make a direct tax contribution to the place making or management of the areas in which they are located, despite the additional management issues that can arise from a concentration of student tenants. There may be opportunities to look at reducing the impact of this through the planning process, as part of the renewed Local Plan policies.
- h) Density of student accommodation will be essential to deliver the level of new high quality accommodation needed within the context of scarce land availability both in the Oxford Road Corridor area and the wider city centre.
- i) Given the current climate emergency and Manchester's commitment to be carbon neutral by 2038, it is increasingly important that the location of student accommodation in Manchester should continue to be driven by proximity to university campuses, reducing the need to travel, and to sustainable modes of transport. This supports existing green travel plans.

4.0 Consultation Process

The consultation on purpose built student consultation had two phases. A consultation process has taken place with developers, students and higher education establishments as key stakeholders (Phase 1). Consultation with residents and other organisations (Phase 2), has taken place as part of the local plan review to inform the further consideration of a policy position on purpose built student accommodation in Manchester. The key stakeholders engaged with are as follows:

Phase 1 – Property Developers; students; higher education establishments

Phase 2 – Manchester residents and businesses

5.0 Outcomes of the consultation

Phase 1

- 5.1 Consultation with Phase 1 stakeholders closed on 9th March 2020 and there were 85 respondents with the following breakdown: 6 property developers; 3 higher education establishments; 76 students (this includes representation from Manchester Metropolitan University (MMU) Student Union).
- 5.2 Whilst property developers broadly agreed with the content and recommendations set out in the November 2019 report, they raised the following challenges:
- In developing policies, the provision for new student accommodation and their locations should be balanced with the need to promote other types of housing to ensure long term retention of talent. A suggestion would be to link this to a Council aim to increase skill retention from the current 50% of graduates to a higher figure.
 - Agreed with the principle to focus PBSA within close vicinity of the University campuses, but the proposal to only consider development of new accommodation in such locations is too rigid and does not provide the flexibility needed for the lifetime of the Local Plan. A strict approach such as this could stifle delivery of other types of housing in city centre areas, and there is a need to balance PBSA provision with supply of conventional homes for people who want city centre living.
 - The requirement for PBSA should not undermine the need to secure mixed and inclusive neighbourhoods; any provision will need to contribute positively to creating communities and place-making.
 - Agreed that an approach for the delivery of affordable PBSA should be included within the policy, but the suggestion to follow the Mayor of London's approach needs further consideration. The London policy states that 35% of bedrooms in PBSA are required to be affordable, or to follow the Viability Tested Route and submit evidence to justify any reduction in this figure.
 - To ensure exceptional, functional accommodation, the Council should set out some high level standards, such as room sizes, communal spaces and storage to ensure quality of accommodation is delivered.
 - The policy should provide the mechanism for the re-use of poor quality or discontinued PBSA sites for other residential uses and not just family accommodation as currently stated.
- 5.3 Of the 76 students who responded to an on line survey in relation to purpose built student accommodation, 31 stated that they were looking to move to new accommodation for their subsequent academic year but less than 50% of these said they wanted to share any future accommodation with other students. Of the 31, 20% stated they wanted to move closer to their campus and just over 50% stated they wanted to move closer to Manchester city centre.
- 5.4 The MMU Student Union, who represent 38,000 students, provided a response which set out the following challenges:

- Increasingly students are concerned about who they are living with rather than where they live, suggesting that allocation of rooms by PBSA operators is a barrier to students taking up places in PBSA – a problem not present in HMO rentals.
- The National Union of Students defines affordable as rooms being offered at 50% of the maximum student loan available to UK-domiciled students and they would encourage Manchester City Council to use a similar percentage.
- Agreed broadly with all of the principles laid out in the report and would additionally encourage any new PBSA operators to sign up to the University's accreditation scheme through Manchester Student Homes. (MMU Student Union).

5.5 Responses were received from MMU, University of Manchester (UoM) and the Royal Northern College of Music (RCNM) raising similar issues and recommendations, including the following:

- The reports fails to recognise complexities of the overall student population which includes international, under-graduate, postgraduate, mature, living at home, parent students and part-time students. Accommodation preferences are different for a typical under-graduate student, and even within this cohort there is no homogenous type of student that can be planned for in terms of their living choices.
- It should be noted that there will always be a cohort of students that make informed choices to reside in a local community, in traditional shared housing, alongside their peers for both experiential and affordability reasons.
- There is a risk that the rental market becomes depressed and subject to high numbers of voids which cause their own blight on the community. There are reports of this already happening in areas of Leeds, Nottingham, Liverpool and Belfast where action was implemented to relocate students to city centre areas. These cities also experience voids in City Centre PBSA.
- Cost and availability of land in the city centre is prohibitive to many developers and the associated financial model drives the delivery of high end accommodation leaving the affordability elements lacking. In order to provide affordable accommodation in these locations the resulting designs will deliver high density and a reduction in welfare support and facilities e.g. public realm, social space, bathrooms and lounges, impacting on student experience and demand.
- PBSA has historically not provided robust welfare and pastoral care for tenants and the introduction of such support systems will come at a cost per bed space to provide the necessary staffing levels and specialist training. This will impact further on student rents.
- It may be naive to assume freeing up former student lets would result in a return to family housing, raising that the majority of Landlords have invested in a buy to let model and will need to swiftly re-fill the properties to satisfy their funders. The next tenure group is unlikely to be families as this type of accommodation no longer fits a modern family requirement.

- The requirement for clarification of the geographical definition of the Oxford Road Corridor and the need to work in collaboration to agree locations suitable for PBSA development
- Whilst they welcomed the consultation document's reference to the need for affordable accommodation, they disagreed with the suggestion of implementing a similar protocol as the draft London Plan.

Phase 2

- 5.6 Consultation on Local Plan Issues closed on 3 May and individuals were asked to comment on the following statement:

“Manchester is home to the largest number of students outside London. Approaches to provide purpose-built student accommodation at a range of price levels may allow existing student homes to revert back to family use and reduce the need for students to rent mainstream accommodation, thereby preventing over-inflation of rental costs in newer developments.”

- 5.7 There were 561 respondents overall to the Local Plan consultation, made up of residents, businesses, statutory consultees and partner agencies (although not all commented on the purpose built student accommodation statement). It should be noted that most of the responses were from residents.
- 5.8 Whilst most residents who responded on the purpose built student accommodation question statement acknowledged the need for a range of good quality, affordable accommodation there was a general consensus that this should not include multi occupation developments or subdivision of buildings into multiple units. There was significant opposition to the conversion of existing family homes into shared living arrangements for students.
- 5.9 A number of respondents referenced the fact that they would encourage the development of settled and mixed communities but opposed the idea of turning parts of the city into predominantly student only areas.
- 5.10 There was significant opposition to the idea of further development in the Oxford Road Corridor, with a number of respondents referring to what they described as “over development”
- 5.11 Most respondents were supportive of the idea of converting existing HMOs back to family use. In addition, respondents stated that any future Council strategy should impose restrictions on private landlords converting properties into HMOs.
- 5.12 A further concern raised related to increased problems of littering and refuse build-up in the areas surrounding multi occupational buildings.
- 5.13 It was commented that submissions from landowners and developers (normally via a professional agent) generally seek to promote their own sites for development, and are supportive of growth and development in general.

6.0 Response to the Issues Raised from the Consultation

- 6.1 In response to the requirement for high level standards to ensure quality of accommodation is delivered, planning proposals are assessed to ensure all new accommodation is in line with the required space standards adopted by Manchester in 2016 as part of the Manchester Residential Quality Guidance. Development proposals are assessed against a number of criteria to ensure both sustainable development and health and safety is adhered to in the design. PBSA schemes will need to conform to all existing Manchester policies and specific standards, in advance of any policy changes brought about by the Local Plan.
- 6.2 In response to the stakeholders questioning whether a similar protocol to the Draft London Plan should be used, the Council understands these protocols would need to be assessed in a Manchester context to understand any impacts. The impacts of any new approach would be also need to be monitored and evaluated in order to develop robust policy as part of the Local Plan that is fitting to future demand.
- 6.3 Manchester Council agree with the response that there is a need to retain young, highly skilled professionals and graduates entering the workforce, so other forms of high quality housing will be needed. For this reason, the Council has also developed its policy on Co-living as part of the review of the Local Plan. Recent residential developments in the city centre, and the pipeline for further residential development located close to major regeneration schemes enable the retention of talent close to skilled employment opportunities in the city centre. We also agree with the need to provide balanced neighbourhoods, which is the intention of Manchester's Residential Growth Strategy. This is supported by the proposal to concentrate new PBSA development in close proximity to the University campuses, supporting the other functions of the Universities and allowing a broader mix of accommodation across the city centre and the city as a whole. The provision of further PBSA can also support the freeing up of mainstream housing in the city centre currently being occupied by students.
- 6.4 The Council is supportive of the University's accreditation scheme through Manchester Student Homes, which is helping to ensure quality of the accommodation available for students.
- 6.5 Littering and refuse collection is an area of concern that respondents have included in their response. A number of PBSA have building management in place to facilitate refuse removal and cleansing of the building. Increased enforcement and street cleansing would also reduce litter issues. Any new planning applications for PBSA would need to include a management plan, setting out how the building will be managed and maintained over the long term, including issues such as waste management.
- 6.6 In response to the comment that the report does not recognise the complexities of the overall student population, (including international, under-

graduate, postgraduate, mature, living at home, parent students and part-time students and families), it is recognised that it is important to ensure that a balance of different types of housing continue to be delivered in the city centre, and outside of it, to meet the needs of all residents, in line with Manchester's Housing Strategy, as part of a broader city wide strategy. This will help to meet the different types of students identified. The report is focussed on the majority of PBSA demand, which is from those living away from home, and to tackle some of the existing issues faced in areas of the city centre and South Manchester. The Our Manchester Strategy, currently being refreshed, already sets out the need for good quality, diverse housing in clean, safe, attractive and cohesive neighborhoods as one of its key priorities.

- 6.7 We welcome the support for good quality, affordable accommodation and for growth and development in general. The lack of quality, affordable student accommodation was one of the key issues highlighted in the 2019 report, and is considered a particular barrier for domestic students. A key objective of Manchester's Housing Strategy (2016-2021) is for all residents to have access to good quality accommodation across different types, tenures, and price ranges. Manchester Council's Affordable Housing Strategy, includes the Residential Growth target of 32,000 new homes by March 2025, with a minimum of 6,400 of them to be made affordable. This is to help meet the demand created by a growing economy and growing population.
- 6.8 In terms of the proposed geographical location of PBSA within the Oxford Road Corridor, it should also be noted that the closure of MMU's Crewe and South Manchester campuses has resulted in an even larger number of student places being located at city centre campuses. Whilst there might be a short term dip in the number of students taking up places as a result of the Covid-19 pandemic (see below), it is expected that numbers will continue to remain strong over the medium term, indicating a need for accommodation close to the university campuses. There has been an increase of people living and wanting to live in the city centre, and their needs must be balanced with the needs of new students and the needs of communities in South Manchester, to support diverse communities and good quality housing options for all residents.
- 6.9 In response to those opposed to predominantly student only areas in parts of the city, and consideration of a PBSA Design Supplementary Planning Document, Strategic Regeneration Frameworks (SRF's) are currently used to guide development in city centre areas, to support place-making and regeneration through the holistic planning of mixed-use developments. The proximity of these frameworks to other SRF's, and to existing and planned residential accommodation is considered in their implementation and delivery. The Oxford Road Corridor contains, or is adjacent to, SRF's such as Circle Square, First Street, Great Jackson Street and Mayfield, which provide a range of accommodation to meet the needs of all residential communities. The Council is in the process of reviewing the City Centre Strategic Plan to outline the current position and future development opportunities in the city centre, using key performance statistics, and this, along with the Local Plan will help further define suitable areas for PBSA in the future, recognising the changing

context of the city centre in recent years to support residential uses. One of the key principles within the November 2019 report was that new PBSA schemes should provide added value in terms of their contribution to the regeneration objectives of the city.

- 6.10 In response to the concern of “over development” in the Oxford Road Corridor, the area has been a designated Enterprise Zone (EZ) since 2016. Recent development is reflective of a world class, innovative location, currently generating £3billion GVA per annum, providing 60,000 jobs of which half are within knowledge intensive sectors, and is consequently one of the most important economic districts in the city. The value of this new development must not be underestimated in terms of the overall growth of, and talent retention, in the city.
- 6.11 Manchester has seen a relatively low level of investment in new PBSA compared to other cities, as a result of the careful management of the pipeline through Policy H12. This has been reflected in the high levels of students living in mainstream housing and the high take up of places in the new PBSA accommodation. MMU are currently not able to provide accommodation to all first year undergraduates. The Council therefore, believe that there is scope to provide additional PBSA, provided it is of the right quality, price and in the right locations, without leading to a high number of voids. However, we recognise the continued need to see a planned and judicial level of growth, in line with the principles of H12. It is noted that there are currently two PBSA schemes within the planning pipeline, at River Street and New Wakefield Street, with further schemes planned by IQ Manchester and Marlborough Street. These schemes will jointly provide around 3,000 new student bedrooms. The impact of these schemes will be taken into account, when considering further applications, and the level of student accommodation kept under review.
- 6.12 In balancing the views of HEI’s, developers, students and residents, along with current policies and standards, it is considered that the principles set out in the report to the November Executive remain appropriate as providing the context for the application of Policy H12. For ease of reference the principles are attached at Appendix 1. The principles will be kept under review as applications come forward, and a formal review of the policy can be developed and tested through the review of the Local Plan. It is also proposed that any new PBSA developments should be designed in such way that they can be easily adapted in response to changing circumstances and requirements. The current context (see below) should also be considered.

7.0 Covid-19 – Potential Impact on PBSA

- 7.1 It should be noted that the *Consideration of Policy H12: Purpose Built Student Accommodation Within the Changing Market Context* report was written prior to the Covid-19 pandemic and subsequent lockdown arrangements. Similarly, consultation with Phase 1 stakeholders closed before lockdown restrictions were put in place.

- 7.2 The full economic impact of the pandemic, and the speed of economic and business recovery is not yet clear. As stated earlier in this report there had been a growing proportion of international students at Manchester's universities but it is likely that this trend will be impacted in the short term by ongoing travel restrictions and fears about resurgence of the virus.
- 7.3 The current indications are that social distancing policies are likely to be in place for some time, while the longer term behaviour change resulting from the outbreak is still unknown. The result could mean that co-living arrangements for students could become temporarily unpopular with potential tenants who may be reluctant to share accommodation and amenities with strangers, and make such developments less viable.
- 7.4 Whilst it was anticipated that Covid 19 may have had a detrimental impact on student numbers for 2020/21, there are positive indications (September 2020) that this is not the case. Although final student numbers will not be known until October 2020, expectations are that totals, including for overseas students, will be comparative with the previous year. Any reduction in numbers is likely to be a short to medium term challenge, with numbers building back up as the city recovers and a sense of normality returns. The Council's long term plan remains one of growth in the city and any future approved PBSA developments will not be completed before 2023, at which point the target would be for student numbers to have returned to or improved on current numbers.
- 7.5 Consideration should also be given to the fact that future PBSA developments will not only provide accommodation needs for increasing numbers of students but will also replace existing poor quality stock. As previously stated in this report, for Manchester to remain competitive as a world class education hub, it must have an accommodation offer to match.

8.0 Conclusions & Next Steps

- 8.1 This report details the outcomes of a consultation process with stakeholders for purpose built student developments in the city, in order to review Policy H12 and develop the policy in line with the changing market context. The Issues Consultation Stage of the Local Plan has been undertaken to engage with stakeholders on the issues covered by the new plan.
- 8.2 This report details the outcomes of a consultation process with stakeholders on purpose built student accommodation in the city, in order to inform a policy approach in advance of the Local Plan review. While not formal policy, the recommendation is for this approach to be of material consideration in the application of Policy H12 when considering planning applications for purpose built student accommodation schemes.
- 8.3 It is, therefore, recommended the City Council adopts the approach set out in this report as context for the application for Policy H12, in advance of the Local Plan review and update in 2023. The impact of any new purpose built student accommodation proposal will be monitored and appraised, and

outcomes from these evaluations will feed into the future review of the Local Plan. This approach supports the current policy position in that regeneration remains a critical consideration.

9.0 Recommendations

9.1 Recommendations appear at the front of this report.

10.0 Key Policies and Considerations

(a) Equal Opportunities

10.1 The Council's proposed approach to purpose built student accommodation has been consulted upon with a wide range of stakeholders, enabling all interested parties to engage in the process.

(b) Risk Management

10.2 Risks will be considered on a scheme by scheme basis.

(c) Legal Considerations

10.3 Any new planning policy relating to Purpose Built Student Accommodation will need to be developed and adopted through the Local Plan process.

Appendix 1

Policy Proposals outlined in the Consideration of Policy H12: Purpose Built Student Accommodation Within the Changing Market Context Executive report (November 2019)

- The aim of Policy H12 has been to ensure that the right mix of student housing is delivered, in the right parts of the city, to meet the demands of the evolving student population and the wider growth, regeneration and financial objectives of the City Council and its partners. The Policy has been successful in achieving these objectives to date.
- An initial appropriate consultation is proposed with key stakeholders on the changing market context set out in this report, with a view to the changed market context being taken into account in determining planning applications in advance of a full review of Policy H12. Following this, as part of the development of the revised Local Plan, an evolution of implementation of the student accommodation policy will be considered and consulted on. The rest of this report sets out the key policy ideas that it is proposed the Council consult the Universities and other stakeholders on, based on the issues set out in this report, in relation to all student residential development. The approach to the student housing market should also be kept under review, to ensure responsiveness to both changing market circumstances (including the impact of leaving the EU) and demand.
- An approach to affordability could be included within the new Local Plan - perhaps along the lines of the Draft New London Plan (published in August 2018), which specifically addresses affordability in PBSA (see Appendix I). The London policy states that 35% of bedrooms in PBSA are required to be affordable, or to follow the Viability Tested Route and submit evidence to justify any reduction in this figure.

Supporting Regeneration Objectives

- The starting point for all student residential schemes should be that they contribute to delivering the regeneration objectives for the city; supporting employment growth, graduate and talent retention, place making and the city's international reputation.
- As part of this, the approach needs to be within the context of the approved Corridor Spatial Framework (see paragraph 3.4), which establishes the principle that development of land in the Oxford Road Corridor should prioritise commercial or educational/research use, in order to maximise the growth potential of the Corridor, recognising the limited availability of land. Student accommodation should, therefore, be in the right locations, in appropriate numbers, and only where it supports wider growth. Given the location of the majority of accommodation within the wider Corridor area, the Corridor Board, will be a consultee on proposals for PBSA.
- Conditions set through the planning process for example through Section 106

agreements, will seek to restrain students living in new non-PBSA developments.

Affordability

- As shown by the evidence, Manchester is one of the most expensive cities in the UK for PBSA. A more diverse pipeline of new PBSA is now needed to help stabilise rental growth.
- New accommodation would need to adhere to the quality criteria set out below, including adequate room sizes, storage and social spaces. However, more studio-style accommodation, or a product similar to the shared apartment scheme being developed at River Street may provide examples of how more affordable PBSA could be delivered.
- It is critical to ensure there is a residential market, which meets the needs of students at an affordable price. The city cannot allow affordability to impact on the ability to attract and retain students from a range of backgrounds, and/or prohibit them from living in areas close to the university campuses. An approach similar to the London policy of 35% affordable units within any new PBSA should be encouraged.

Quality

- The overall quality of Manchester's PBSA stock is poor compared to other cities. A recent appraisal by Cushman and Wakefield found that Manchester has fewer high quality rooms compared to the UK average (15% vs 23%) and more low-quality rooms than average (39% vs 33%). Accommodation is considered to be less sustainable where:
 1. It is a greater than 20 minute walk to campus
 2. Room quality is below average
 3. There is below average quality common space
- For Manchester to remain competitive as a world class education hub, with an accommodation offer to match, the current level of poor quality accommodation needs to be addressed. New stock in appropriate locations represents an opportunity to deliver an improved student experience, which better reflects Manchester's institutions and its educational reputation overall, and also helps to contribute to sustainability targets.
- All PBSA must be of a high quality, providing a high standard of living, within close proximity to the city's higher education institutions. To ensure the delivery of student accommodation that is high quality and highly accessible, with strong and sustainable connections to the city's universities, all future PBSA should be within or immediately adjacent to Oxford Road Corridor (with the exception of the area surrounding the Institute of Sport, on the Etihad Campus as set out below). Design should allow sufficient facilities to cater for the overall wellbeing of students, including, for example, generous living space, communal spaces for students to socialise, and public realm, which

contributes to the quality of place. PBSA design must also be sufficiently flexible to allow for re-purposing as demand varies.

Wellbeing, Safety and Security

- Linked to the above, purpose build accommodation should consider the welfare and wellbeing of students as a major factor, in both design and management. Ensuring that student accommodation is delivered in safe and secure locations, and with appropriate management and facilities, will be a fundamental consideration for any PBSA proposals. Location of accommodation close to University facilities is a critical issue in ensuring the safety and wellbeing of students. The safety and security of accommodation has a significant impact upon student retention which is of clear importance for both the universities and the city as a whole. Location and security are consistently identified by international students as the top factors when choosing accommodation.
- It is currently voluntary for private developers who build and operate PBSA to sign up to the three codes of practice required for higher education providers, which aim to ensure that accredited student accommodation is safe, good quality and reputable. These are:
 - The Universities UK/GuildHE Code of Practice for University Managed Student Accommodation
 - The ANUK/Unipol Code of Standards for Larger Residential Developments for Student Accommodation Managed and Controlled by Educational Establishments
 - The ANUK/Unipol Code of Standards for Larger Developments for Student Accommodation NOT Managed and Controlled by Educational Establishment.
- It is suggested that, the principles included within these three codes of practice should be adopted for all new PBSA developments, whether private sector or educational establishment led.
- Private halls of residence should be encouraged to provide pastoral care and programmes which seek to provide an enhanced student experience (as is already evident in the current higher end schemes). These packages can deliver the provision of welfare care and extra-curricular activity in various ways.
- It should also be noted that owners of PBSA are not required to pass business rates on this accommodation, meaning that they currently do not make a direct tax contribution to the place making or management of the areas in which they are located, despite the additional management issues that can arise from a concentration of student tenants. There may be opportunities to look at reducing the impact of this through the planning process, as part of the renewed Local Plan policies.

Density

- Density of student accommodation will be essential to deliver the level of new high quality accommodation needed within the context of scarce land availability both in the Oxford Road Corridor area and the wider city centre.

Location

- Location is a key factor in ensuring the quality, security, sustainability and wellbeing benefits of accommodation. As a result, purpose built student accommodation should be located in the areas immediately adjacent to the core university areas, principally the Oxford Road Corridor area. This may include parts of surrounding neighbourhoods such as Hulme and Ardwick which are immediately adjacent to the university campuses, for example, appropriate sites on Cambridge Street and Upper Brook Street, which accord with the Corridor Spatial Framework. The exact sites would need to take into account the principles of the Corridor Spatial Framework, the context of the surrounding neighbourhood, and support the wider economic and academic growth of the Corridor.
- The only exemption to this within the city would be within the Eastlands Strategic Regeneration Framework area, where consideration will be given to high quality PBSA to support the Institute of Sport proposals on the Etihad Campus as plans develop.

Sustainability

- Given the current climate emergency and Manchester's commitment to be carbon neutral by 2038, it is increasingly important that the location of student accommodation in Manchester should continue to be driven by proximity to university campuses, reducing the need to travel, and to sustainable modes of transport. This supports existing green travel plans. Students are encouraged not to bring vehicles to the city and instead sustainable travel, discounted travel passes and alternative modes of transport are already comprehensively promoted to new and returning students.
- The requirements driving quality in new PBSA will ensure that all new accommodation meets the highest standards of sustainability, to meet the Council's zero carbon policies. They will also be expected to provide appropriate public realm and connectivity, which can contribute to the local environment; provide opportunities for reducing climate change impacts (e.g. providing new trees); and encourage walking and cycling, also contributing to levels of wellbeing.

Mix of uses

- It is essential that the Oxford Road Corridor, and the city centre as a whole, is able to maintain the right balance of commercial, educational, residential, cultural and leisure use, in order to ensure that it can maximise its contribution to the economic growth of the city. Given its unique position, and as outlined above, the presumption will be that commercial and educational use will be

prioritised within any new development in the area.

- However, a level of high quality PBSA will be important to achieving the right student offer, and address the issues raised throughout this report, including the attraction and retention of students. A limited amount of PBSA will be considered, in appropriate locations, where it can be demonstrated that it will support commercial and educational use, and the overall growth and regeneration objectives for the Corridor and the city.