

**Manchester City Council
Report for Resolution**

Report to: Executive – 13 March 2019

Subject: Plot E Birley Fields (Land at Greenheys Lane West, Old Birley Street)

Report of: Strategic Director (Development)

Summary

This report seeks approval for the disposal of the land at Market Value by way of a 250 Year agreement for lease and development lease to UK Fast Properties Ltd for the expansion of their business operations.

Recommendations

The Executive is asked to:

1. Approve the proposal to dispose of land at Plot E Birley Fields under a 250-year lease to UK Fast Properties Ltd for the expansion of the business operations on the main terms outlined in the body of this report.
 2. Delegate Authority to the Strategic Director (Development) in consultation with the Leader and the Deputy Leader with the Corporate Property portfolio to negotiate and agree the detailed final terms of the transaction.
 3. Authorise the City Solicitor to complete the necessary paperwork to give effect to the proposal.
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Wards Affected: Hulme

Manchester Strategy outcomes	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The expanded business will help support the continued regeneration of this area whilst creating a wide range of new employment. On completion the proposed development will offer around 300 additional highly skilled jobs.
A highly skilled city: world class and home grown talent sustaining the city's economic success	UK Fast business' positively promote in house training and offer free space and support for independent incubation of small new business'
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	UK Fast have wide and varied links with local organizations and actively support various community initiatives.

A liveable and low carbon city: a destination of choice to live, visit, work	UK Fast have a robust environmental policy and strive to achieve 100% carbon neutrality for its business operations.
A connected city: world class infrastructure and connectivity to drive growth	UK Fast is a Provider of managed dedicated server and cloud hosting services to business and public sector

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

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The Proposal will remove the liability of the ongoing grounds maintenance of the site.

Financial Consequences – Capital

The proposed terms represent a disposal at Market Value. A capital receipt in the region of £2,450,000 including Council fees will be paid on drawdown of the long leasehold interest in the land.

Contact Officers:

Name: David Lord
Position: Head of Development
Telephone: 0161 - 234 7484
E-mail: d.lord@manchester.gov.uk

Name: Eddie Smith
Position: Strategic Director (Development)
Telephone: 0161 234 3030
E-mail: e.smith@manchester.gov.uk

1.0 Introduction

- 1.1 This report seeks approval for the disposal of the land to UK Fast Properties Ltd, as adjoining owners, in order to expand their business operations
- 1.2 This expansion will allow UK Fast to maximise the potential and connectivity of the wider site by creating a campus style development as they aim to deliver 300 additional jobs. These jobs are related to the initial phase. Further expansion could follow in future phases.

2.0 Background

- 2.1 This is the final site within the Birley Fields area. The site had been intended for an employment use and tentatively reserved for Manchester Science Park use. Officers have had various approaches over the years however these were not considered acceptable for reasons including low employment numbers.
- 2.2 Arising from regular discussions from UK Fast, as a rapidly expanding business in Manchester, they were given the opportunity to explore the viability of expanding their existing HQ to meet their growth aspirations here in Manchester as opposed to seeking space elsewhere. They have consulted with planning colleagues and have provided officers with an outline scheme which will deliver 30,000 square feet of office accommodation, an energy centre and additional car parking. There may be future proposals to include a subterranean data centre if required. This scheme would be completed in two phases with a potential for a third should they manage to negotiate the acquisition of further adjoining land in the future.

Land Deal

- 2.3 Heads of Terms have been provisionally agreed and the proposed transaction comprises of an Agreement for Lease followed by a 250-year Lease on satisfaction of usual pre-development conditions relating to satisfactory funding, planning, appointment of contractors, ground surveys etc. There will also be a requirement under the agreement for lease for UK Fast Properties Ltd to fence and maintain the land in the interim. We have agreed a premium around £2.45 million which represents Market Value and Best Consideration. The lease will include strict time-scales for the phased development in order to ensure delivery along with provisions to ensure the return of the land to the Council if the development does not proceed.

3.0 Contributing to the Manchester Strategy Outcomes

(a) A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities

The expanded business will help support the continued regeneration of this area whilst creating a wide range of new employment. The proposals will offer around 300 additional skilled jobs in all areas of the business.

(b) A highly skilled city: world class and home grown talent sustaining the city's economic success

UK Fast business positively promote in house training and offer shared space, support and mentoring for independent incubation of start-ups and small new businesses under the umbrella of Tech Manchester.

(c) A progressive and equitable city: making a positive contribution by unlocking the potential of our communities

UK Fast have wide and varied links with local organizations and through partnerships, actively support various community initiatives. They strive to improve digital literacy through a partnership with The Dean Trust and have worked with around 57,000 pupils within Greater Manchester.

(d) A liveable and low carbon city: a destination of choice to live, visit, work

UK Fast have a robust environmental policy and strive to achieve 100% carbon neutrality for its business operations and strive to ensure all of its building achieve green building status.

(e) A connected city: world class infrastructure and connectivity to drive growth

UK Fast's primary business is delivering technological infrastructure and connectivity. They construct, provide and manage dedicated server and cloud hosting services to major business and public sector organisations both locally and nationally.

4.0 Key Policies and Considerations

(a) Equal Opportunities

4.1 As an established business UK Fast Properties Ltd will be required to comply with all relevant legislative Equal Opportunities policies both through the development and construction phases to the end use of the buildings delivered. Manchester City Council have a long established relationship with UK Fast in respect of their Social Value commitment and delivery.

(b) Risk Management

4.2 The terms of the proposed lease will ensure that should the development not progress as planned, the City Council will retain the option to buy back the land. This will be dealt with through the provisions in the legal documentation.

(c) Legal Considerations

4.3 Given that this land is currently open space, the intention to dispose been advertised and approval granted. The Head of Development will sign of the transaction as Best Value for the Council.