Co-op Live: Boss of £350m arena build opens up on Covid and Brexit battles as project prepares for critical phase

The man in charge of building the new £350m Co-op Live arena in the shadow of Manchester City's Etihad stadium has opened up for the first time about how "critical" it was for his firm to win the project, the impact Covid and Brexit has had — as well as the importance of attracting more women and 'blue collar' apprentices into the industry.

Ian Fleming is the North West regional director of BAM Construct UK and the point man for the arena which is currently still on target to be completed in December 2023.

Construction is currently underway and when complete, the 23,500-seater venue will feature a bowl design, "cutting edge" visual technology as well as 32 bars, lounges, restaurants, suites and club spaces.

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Co-op Live is intended to host everything from live music to sports events, comedy gigs to award shows and family entertainment. It was also recently <u>announced that the site</u> would create an additional 1,000 jobs once fully operational.

The project is the brainchild of Oak View Group (OVG), a US giant whose portfolio also includes numerous arenas and sports stadiums in America.

Earlier this year OVG <u>was joined by</u> joint venture partner City Football Group while global pop star Harry Styles became a minority investor <u>last year.</u>

The project features some staggering statistics including that all the earth that has been taken away from the site so far can fill the equivalent of six Olympic swimming pools – and that if you place all of the concrete columns needed for the arena end to end they would reach the International Space Station.

A total of 9,000 tons of steel are being used for the scheme while BAM is aiming to create 100 jobs itself over the course of the build.

Now with the steel work set to start in December, the point at which the arena will start to rise out of the ground, Mr Fleming sat down for an exclusive interview with <u>BusinessLive</u> to reveal how BAM Construct UK secured the project in the midst of the first Covid-19 lockdown, where the project stands right now and what impact it is having on the city.

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Video Loading Video Unavailable Click to play Tap to play The video will auto-play soon8Cancel Play now Mr Fleming said: "The main thing now is actually getting out of the ground. There's a lot of risks, obviously, with this site. There were underground coal scenes to get over and we had to drill and grout those so we could start building the foundations.

"We've now started doing the main cores so things are starting to come out of the ground. We're not that far away from that and then quite a bit of the risk in the project goes and then we start looking at getting the steel work.

"Our client is very keen to make sure that a lot of the

sourcing is done from the local Manchester area.

"We've got the talent and the expertise in and around Manchester to do a job like this.

"This job for us is worth £254m. It's the biggest job BAM has ever done in the UK and it's great to see that we've not had to go far to get the people that can do this.

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A CGI of the planned arena bowl at Co-op Live

"BAM are quite well known for doing the more complex projects. We let other people the warehousing type jobs which are quite simplistic.

"We tend to concentrate on more of this sort of thing as well as health and offices where there's a little bit more expertise needed to build them. "We're on target for our deadlines which is really good and encouraging for us because last year was a pretty rubbish year for us all in this industry but now we're coming out of it we've managed to deal with the Covid side of things.

"We've still got some issues with some such as social distancing, which we are trying to maintain as much as we can, but moving forward now we will get back to normal and hit our targets.

"The date to hand over the project is December 2023. The date is very important to the client as it's a key time to get some really big names here."

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Video Loading Video Unavailable Click to play Tap to play The video will auto-play soon8Cancel Play now On how BAM Construct UK, which has been in the region since 1970, won the project, Mr Fleming added: "We were aware of the project coming out for tender. We were going to tender against two other major contractors who operate in the UK, Laing O'Rourke and Sir Robert McAlpine, and we had started negotiations with the client.

"But then the client decided just to negotiate with us so we did not have to tender for it. I think a lot of that was because we had just finished, a couple of years back, the Manchester City football academy across the road and we had a good relationship with City Football Group and they are now half the client.

"I think that relationship made them want to negotiate with us rather than undergo a tender process.

"We had some cost issues initially but we managed to work with

the client and reduce the costs to get them down to within their budget.

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Ian Fleming, the North West regional director of BAM Construct UK

"That was the hardest thing actually because all that process was happening during lockdown so we did not get to see people and meet them physically.

"We had to do everything on Microsoft Teams and that was quite stressful and mentally taxing for everybody because normally we get in a room and sort things out.

"But we got through it and everybody is happy with the price and everything else.

"It was good to know that we had the backing of a previous client. A lot of our work is repeat work which is important to us and it's important in this business to have relationships. That's the most important thing. If a client trusts you and they understand that you're quite a stable contractor in terms of finances and reputation they will come back to you.

"The last thing they want is to invest all this money in a project and have the contractor go bust during the project which is a nightmare for them.

Co-op Live is due to be handed over to OVG and City Football Group at the end of 2023 and Mr Fleming said his firm is already on the look out for the next project.

"We're always having to keep an eye out for what can keep our people busy. Fortunately this project goes on until 2023 but when it comes to a close we need to find a different form of work to do as there isn't going to be another arena in Manchester for a while", he said.

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CGI image of Manchester's Co-op Live

"It's important that we find work and it is generally in the office building market, education and in hospitals.

"I think the market is coming out of the slump that we have had. There's still a lot of confidence needed in the office market because client's don't quite know where it is going because of the impact of home working.

"I think a lot of developers are just watching to see what happens but we are working for a developer from Manchester, Ask, who are pushing forward with the First Street office project in the city centre and it's good that they are seeing the confidence that the market is still there for offices.

"Manchester is a buoyant city and because the university population is so high those young people tend to stay and that creates an impetus for the city to grow."

However, Mr Fleming warned that the project has faced issues as a result of Brexit and the Covid-19 pandemic leaving it, and the industry as a whole, with a skills shortage.

"The one problem this industry has is a skills shortage and that has been increased because of the Eastern Europeans leaving and the people not coming back into the UK because of Brexit and Covid," he said.

"We have to invest in the young people and get them into our business.

"It's also about bringing in a more diverse population within the business. For one thing we don't have enough women in this industry and we're trying hard to grow that.

"About 40% of our apprentices into BAM this year were women so we are really trying to focus on the grass roots level and bring young women out of schools and into our business because a more diverse business is a better business and can be more profitable.

"But it's going to take a while for those young women to grow up into senior positions and that's the difficulty for us as we can't just rush that.

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"There are some really good women in senior positions but there's not enough and we need more.

"In terms of the blue collar apprentices that's probably just as, if not more, important that we bring them on as well.

"We're bettering our targets for this particular project for that which has been quite difficult considering the type of work we are doing out there because its big heavy civils work and it's quite difficult sometimes to get the numbers of apprentices into that as it's all about machinery rather than labour.

Mr Fleming also revealed how important winning the contract was for BAM Construct UK, coming at a time when the country had been plunged into its first Covid-19 lockdown in 2020.

He said: "It was critical for the business that we secured this project. I think to win an order for £254m gave the business a bit of a sigh of relief because we weren't sure where the work was coming from at that time as all the investors had started to pull their money.

"It was great for us as a business and of course we were picking up other bits as well but this puts us back to where we would normally be.

"During the Covid lockdowns our turnover really dropped

dramatically and many people were on furlough for a while.

"But I have to say kudos to the client for pushing forward with this scheme when you think that this is the sector which was hardest hit.

"No arenas were being filled at all across the world and yet OVG pushed forward with something like this when everyone else's heads were down.

"It has really been a good boost for Manchester, the fact that this is actually pushing forward, because a lot of other schemes didn't make it."

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