

THE TOWN AND COUNTRY PLANNING ACT 1990

AND

THE ACQUISITION OF LAND ACT 1981

DRAFT

THE SHEFFIELD CITY COUNCIL

(WEST BAR SQUARE REDEVELOPMENT)

COMPULSORY PURCHASE ORDER 2018

**STATEMENT OF THE
COUNCIL'S REASONS FOR
MAKING THE ORDER**

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1. INTRODUCTION

- 1.1 This document is the Statement of Reasons of Sheffield City Council ("**the Council**") for the making of a compulsory purchase order entitled The Sheffield City Council (West Bar Square Redevelopment) Compulsory Purchase Order 2018 ("**the Order**").
- 1.2 The Council made the Order on [] 2018 pursuant to the Council's resolution on [] 2018. The Order will be submitted to the Secretary of State for Communities and Local Government ("**the Secretary of State**") for confirmation pursuant to the Acquisition of Land Act 1981.
- 1.3 The Order is made pursuant to Section 226(1)(a) of the Town and Country Planning Act (as amended) (the "**1990 Act**") to acquire the land required to secure the construction and delivery of a comprehensive mixed-use redevelopment scheme in Sheffield City Centre, known as the West Bar Square Regeneration Project ("**the Scheme**") more particularly described in Section 5. The Scheme is being carried out by the Council's development partner Urbo (West Bar) Limited and is a major project in the wider strategy for the regeneration of Sheffield City Centre. Urbo (West Bar) Limited is a development company formed by Urbo Regeneration Limited and Peveril Securities (part of the Bowmer & Kirkland Group) to deliver the Scheme (collectively referred to in this Statement as "**Developer**").
- 1.4 The Order Land is more fully described in Section 3 of this Statement. The land and interests comprising the Order Land are identified in the schedule to the Order (the "**Order Schedule**"), which refers to the map accompanying the Order (the "**Order Map**").
- 1.5 The Council's purpose in seeking to acquire the Order Land is to facilitate the comprehensive development redevelopment and improvement of the West Bar Square site as part of the Riverside Business District to create a mixed-use and high quality development as an important area of Sheffield City Centre and gateway and connector to other adjoining areas: the Riverside area; Cathedral Quarter; Kelham, Burngreave; Woodside; and Castlegate. The comprehensive redevelopment of the area has been a long-standing aspiration and priority of the Council and presents an opportunity to deliver a new mixed use redevelopment with significant economic and regeneration benefits on an otherwise under-utilised and semi-derelict site. This is more particularly described in Section 4.
- 1.6 Details of the Scheme and its objectives is set out in Section 5 of this Statement. Planning permission for the Scheme has been secured, detailed in Section 6, and will deliver the Council's aspirations and objectives explained in Section 4.
- 1.7 The Order seeks to acquire all legal interests in the land coloured pink on the Order Map. The Council has and continues to work closely with the Developer seeking the private treaty acquisition of the remaining land interests in the Order Land by agreement where possible. The Council and Developer own the majority of the West Bar Square site but a number of interests remain in third party ownership and the land that they own is subject to other interests and encumbrances. There are also a number of unknown interests in the

other Order Land. The Council does not anticipate the site being capable of being entirely assembled without the use of compulsory purchase. The reasons for the Council's intervention and justification for use of compulsory purchase powers is set out in Sections 4 and 7. The Council considers that there is a compelling case in the public interest for the making of this Order to secure the outstanding land and property interests required for the purpose of implementing the Scheme. The Council is satisfied that the Scheme will positively contribute to the economic, social and environmental well-being of the area for reasons explained in this Statement and summarised in Section 7.

- 1.8 The Council is satisfied that the Scheme is capable of being delivered by the Developer as detailed in Section 8 and that there are no other insurmountable impediments to delivery, as detailed in Sections 9 and 10.
- 1.9 The Order will be submitted to the Secretary of State for Communities and Local Government for confirmation pursuant to the Acquisition of Land Act 1981.
- 1.10 This Statement has been prepared in accordance with the guidance set out in the Department for Communities and Local Government Guidance on Compulsory Purchase Process and the Crichel Down Rules dated October 2015 ("**the Guidance**").
- 1.11 This Statement of Reasons is non-statutory and is not a statement under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007 and the Council reserves the right to alter or expand it as necessary.

2. EXPLANATION OF POWERS

- 2.1 The Guidance provides the main guidance on the use of compulsory purchase powers and the Council has taken full account of the Guidance in making the Order. In accordance with the Guidance, the purpose for which an authority seeks to acquire land will determine the statutory power under which compulsory purchase is sought. Paragraph 11 of the Guidance states that acquiring authorities should look to use *"the most specific power available for the purpose in mind, and only use a general power when a specific power is unavailable"*.
- 2.2 The Council is the Local Planning Authority ("**LPA**") for the area in which the Order Land is situated and has the power under Section 226(1)(a) of the 1990 Act to compulsorily acquire any land in its area *"if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land"*.
- 2.3 Section 226 of the 1990 Act provides local authorities with a relatively broad power of compulsory purchase. An LPA is entitled to exercise the power under Section 226(1A) of the 1990 Act if it thinks that the development, re-development or improvement is likely to contribute to the achievement of the economic, social and/or environmental well-being of their area.
- 2.4 The Council considers that the Scheme will deliver benefits to the local area under all three objectives. These benefits are explained in more detail in Section 7 of this Statement.

- 2.5 The Guidance at Paragraph 1 states that *"compulsory purchase powers are an important tool to use as a means of assembling the land needed to help deliver social and economic change"* and that they *"can contribute towards effective and efficient urban and rural regeneration, essential infrastructure, the revitalisation of communities, and the promotion of business - leading to improvements in quality of life"*.
- 2.6 The Guidance states that the factors which the Secretary of State can be expected to consider, in deciding whether or not to confirm a compulsory purchase order includes:
- 2.6.1 whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area or, where no such up to date Local Plan exists, with the draft Local Plan and the National Planning Policy Framework; and
- 2.6.2 whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means.
- 2.7 These tests are met in this Statement of Reasons as a whole, but more particularly in the following sections and paragraphs:
- 2.7.1 the tests above at 2.6.1 are addressed in Section 6;
- 2.7.2 the tests above at 2.6.2 are addressed in Section 8.

3. LOCATION AND DESCRIPTION OF THE ORDER LAND

- 3.1 The land and interests included in the Order comprise approximately 2.97 hectares located within Sheffield City Centre and are shown on the Order Map.
- 3.2 The Order Land is situated on the northern edge of Sheffield City Centre, is broadly triangular in shape, and is bound to the south by the Law and Family Courts buildings and West Bar; to the west by Corporation Street; and to the east by Bridge Street.
- 3.3 The Order Land currently includes a few occupied commercial premises but mostly comprises underused or vacant sites and surface level car parking with a largely defunct street pattern. Together with West Bar, the West Bar Square site encloses Sheffield Combined Crown and Family Courts (the "**Courts**"), two important relatively modern civic buildings. Whilst the public realm immediately to the front of the Courts has recently been improved by the Council's award winning Grey to Green Project, the environment to the rear is extremely poor and not fitting for such important buildings.
- 3.4 Within the Order Land itself there are no listed or locally listed buildings or features and no part of it is within a Conservation Area but it is adjacent to the boundaries of both the Kelham Island and Furnace Hill Conservation Areas. The buildings which remain are mostly two storey brick workshops built between the 1900s to 1950s. Whilst a small number of buildings are occupied by one small manufacturing business, a car hire outlet and a tyre repair depot, the remainder of the Order Land (with the exception of 33 Love Street, a Council owned and tenanted building) contains derelict industrial

warehouses or has been cleared for temporary vehicle parking pending redevelopment. The area has a run-down appearance and feels potentially unsafe, particularly in the evening, despite a relatively large number of people living nearby.

- 3.5 The main properties within the Order Land that are not currently owned by the Council or owned or under the control of the Developer are:
- 3.5.1 Village Developments Site (Plots [12, 14 and 20] in the Order Schedule): a cleared site operated as a formal public car park with tarmac surfacing and marked parking spaces. This car park also includes areas of land owned by the Council that are jointly operated by the parties;
 - 3.5.2 Gerald and Richard Duniec (Plot [32] in the Order Schedule): vacant early Twentieth Century industrial building;
 - 3.5.3 Europcar (Plots [53 and 60] in the Order Schedule): mid Twentieth Century storage building together with offices and an external yard with petrol pump operated by Europcar for their car and van hire business;
 - 3.5.4 Egginton Brothers (Plots [41 and 78] in the Order Schedule): early Twentieth Century industrial property used by Egginton Brothers Ltd for the manufacture of penknife blanks, sharpeners and files;
 - 3.5.5 Hawleys Tyres (Micheldever) (Plot [82] in the Order Schedule): early Twentieth Century industrial building and small offices used for storage of tyres and tyre fitting services;
 - 3.5.6 Oxley Tools Site (Plot [79] in the Order Schedule): cleared and levelled used for public car parking. The site has a temporary planning consent for this use; and
 - 3.5.7 Gallan site (Plots [90 - 91 and 95] in the Order Schedule): cleared and levelled and used for public car parking. There is no surfacing or marking of bays and the site has a temporary planning consent for this use.
- 3.6 The Council owns a substantial part of the freehold interest in the Order Land and site required for redevelopment, including land in public highways surrounding the Order Land.
- 3.7 The Developer owns or has under option from the previous developer, Castlemore (see Section 5.6), a number of parcels of the West Bar Square site.
- 3.8 The owners of a number of plots in the Order Land, particularly in the highways in and around the site are unknown.
- 3.9 The Order Land at its southern end encircles (on three sides) the Courts. Land owned by the Council surrounding the Courts within the Order Land required for the Scheme includes a long leasehold interest in favour of the Crown and which is understood to meet the definition of "Crown Land" (for

the purposes of Section 293 of the 1990 Act). As a general rule, the Council is not able to acquire the Crown's interest in Crown Land by compulsory purchase and no exceptions apply in this case. The Developer is in discussion with agents for the Crown and the Crown's appropriate body has confirmed that it is agreeable in principle to the acquisition of its interest subject to reaching agreement on detailed terms for transfer. Details for the transfer of the Crown's interest is expected to be secured before the Council seeks final confirmation of the Order.*[to be updated]*

- 3.10 In addition to the Crown's interest, there are other third party interests (which are not held by or on behalf of the Crown) in this Crown Land. These third party interests are proposed to be included in the CPO. Pursuant to Section 226(2A) of the 1990 Act, the Secretary of State must not authorise the acquisition of any such third party interest in Crown Land unless with the consent of the appropriate Crown body. Confirmation in writing from the appropriate Crown body is anticipated as part of the agreement of terms for the transfer of the Crown Land *[to be updated]*. This confirmation will be provided to the Secretary of State upon submission of the CPO for confirmation as evidence that the Crown consents to such acquisition.
- 3.11 The Order Land and existing public highways within and surrounding the site that are required to deliver or that may be affected by the delivery of the Scheme contain apparatus, structures and street furniture owned and operated by statutory undertakers, including that of the Council as local highway authority. By virtue of Section 236 of 1990 Act, these interests will not be extinguished by the making and subsequent vesting of the Order Land by the Council under the CPO. The Developer and its advisors are however in discussion with the various statutory undertakers, principally as part of proposals for Stopping Up of highways within the site.
- 3.12 Save for the area owned by the Crown occupied by the Courts, the majority of land surrounding the Order Land comprises public highway. The land under and above this surrounding footway is either already owned by the Council or will be capable of being controlled by the Council via the CPO.
- 3.13 The Order Land also includes a number of minor interests which are included in the Order Schedule.

Order Map

- 3.14 The Order Land required permanently is shown coloured pink on the Order Map and is bounded by West Bar, Bridge Street and Corporation Street. The Order does not include land in which new rights only are being sought.
- 3.15 The Order Schedule has been prepared based upon information gathered through inspection of Land Registry title documents, site inspections, enquiries made on behalf of the Council and responses to notices issued under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 and unknown owner notices placed on and around the Order Land. Whilst this information represents an extensive schedule of known interests, it is acknowledged that other currently unknown interests may emerge as the compulsory purchase process proceeds.

- 3.16 The parts of the Order Land which are in the ownership of the Council are included in the Order Land to ensure that any third party interests or encumbrances existing in respect of such land are acquired pursuant to the Order ensuring that the Scheme can be constructed and subsequently occupied. For the same reason those parts of the Order Land within the ownership of the Developer as well as that of the Council's previous developer partner, Castlemore and under option to the Developer are included in the Order, as well as to ensure that the Council has an absolute right to assemble all of the Order Land. This also enables the Council to extinguish all minor interests in the Developer controlled land, as required.
- 3.17 There are a number of plots within the Order Land where ownership is unknown and some of which occupy locations central to the development proposals and which could inhibit any material development of the Scheme. The acquisition of these interests via the Order will overcome this impediment.
- 3.18 The extent of the Order Land included in the Order Map has been determined having regard to the extent of land interests required to deliver the Scheme (as described in Section 6) and in particular having regard to the range and upper limits of development permitted under the Outline Planning Permission, and the extent of existing and proposed stopping up of public highway within and around the West Bar Square site.
- 3.19 There is an exception to this general approach in that an area of land to the eastern flank of the Courts (held by or on behalf of the Crown) is excluded from the Order Land. This strip of land sits between the eastern boundary wall to the Courts and Plot [101]. This strip of land is within the Outline Planning Permission boundary but is not expected to be required to support the construction of a building. This area may be subject to soft landscaping but is not expected to be a requirement of the commencement of development or occupation of the Scheme under the Outline Planning Permission. The Crown intends to retain ownership of this strip of land which it is unable to readily transfer [but is agreeable in principle to the Developer carrying out improvement to this area, as may be secured as part of the detailed design of the Scheme.] *[to be updated]*. Its omission from the Order Land is not considered by the Council to be an impediment to delivery of an acceptable Scheme that meets the requirements of the Outline Planning Permission and/or planning policy.

4. NEED FOR REDEVELOPMENT AND REGENERATION

- 4.1 As set out in greater detail below in Sections 5 and 6, the Scheme has been identified as a key regeneration opportunity by the Council since 2001 and has been actively pursued by the Council in the absence of the market being able to assemble all land necessary to bring about comprehensive redevelopment.
- 4.2 The completion of the Inner Relief Road ("IRR") in October 2007 resulted in a significant reduction in traffic on West Bar and created an opportunity to physically reconnect the Order Land back to the core of the City Centre. This also provides the Order Land with a highly prominent frontage onto the IRR which serves as the main arterial road around the City Centre. Corporation Street is now one of the main entrances into the City Centre from the IRR.

- 4.3 In the immediate vicinity of the Order Land a very significant amount of new development has taken place over the past ten years. The Riverside Exchange development which adjoins the land between Bridge Street and the River Don was one of the first large private apartment schemes in the City Centre and also comprises a substantial Government office campus (largely occupied by the Home Office) and the headquarters of the law firm Irwin Mitchell. To the north east, on the opposite side of the IRR, Kelham Island has been transformed from a declining industrial area to a thriving residential and creative community in a mix of refurbished former Victorian workshops and imaginative new buildings (see West Bar Square City Context Plan for illustration of these surrounding areas).
- 4.4 To the south of the Order Land, rising up the hill into the core of the City Centre is the Cathedral Quarter. This was traditionally the main office location in Sheffield and with a variety of professional firms housed in a mix of Georgian, Victorian and less attractive 1960s buildings. With the increasing trend of consolidation and expansion of legal firms in particular there has been a large amount of relocation into larger floorplate offices such as at Riverside Exchange. As a result the Cathedral Quarter has suffered some decline, although it remains very attractive and new residential uses are increasingly moving into the area.
- 4.5 Linking the Cathedral Quarter to the Order Land the Council has invested in an award winning, innovative reclamation of the redundant areas of highway which became available when the IRR was completed. This project, referred to as the Grey to Green Project, has created new public realm, improved pedestrian routes and sustainable urban drainage.
- 4.6 To the south east is Castlegate, which was Sheffield's historic heart but has suffered from a loss of much of its traditional economic and social function as large scale retail and civic uses have relocated into the core of the City Centre. However, over the next five to ten years the area will be the focus of major regeneration and is about to take on a new and exciting role with a distinctive focus for tech and creative start-up businesses taking over the vacant character buildings (see City Centre Masterplan 2008, City Centre Masterplan 2013 (Draft) and City Centre Plan 2018 (Draft)). The exploration of the 13th Century castle, currently buried beneath the site of the former indoor markets, will be an addition to the city's visitor attractions.
- 4.7 The Castlegate area already houses the largest number of hotels in the City Centre and a proposed second phase of the Grey to Green Project will reclaim further areas of redundant highway to transform the environment around these hotels (see City Centre Plan 2018 (Draft) and City Centre Outputs Plan from the approved outline business case for Sheffield City Region Investment Funding (SCRIF); reduce severance of the historic canal basin from the City Centre; and improve pedestrian routes along the river back to the West Bar Square Scheme.
- 4.8 Approximately a mile to the north of the Order Land, Burngreave is one of the most deprived wards in England and, whilst not immediately adjacent to the Scheme, the semi-derelict condition of the land creates a physical and psychological barrier between Burngreave and the City Centre.

- 4.9 The Order Land is currently under-utilised, is in a poor state of repair, and is in urgent need of regeneration. The Order Land is situated in a pivotal position to connect the emerging new riverside districts to the core of the City Centre, whilst meeting the identified need for further and improved office and residential provision in the City Centre. The Scheme, as described below in Section 5, represents a sustainable, committed and important development opportunity with the ability to create new pedestrian and cycle linkages through high quality public realm.
- 4.10 In the absence of the Scheme, the Order Land is most likely to remain substantially in its current state - thereby failing to secure any improvement to social and environmental well-being or sustainable economic growth for the City. The Order Land is essentially a physical and visual link between the edge of the City Centre and the Cathedral Quarter, Exchange Riverside and Kelham Island areas and on the edge of Castlegate. It currently does not perform well socially, environmentally or economically and as such, the site in its current state acts as a barrier to the prosperity of the West Bar area and its connectivity with the City Centre - further explained in Section 7.

5. DESCRIPTION OF THE SCHEME

Background of the regeneration of West Bar Square

- 5.1 The Order Land is identified for redevelopment and was first identified by the Council in 2001 as a key regeneration opportunity that could arise from the construction of the northern section of the IRR. It was identified as a core project in the IRR Urban Design Framework submitted as supporting information to both the Department for Transport to secure funding for the IRR and with the planning application for the highway. The IRR was funded, at a cost of c£60M, due to the economic benefits that would arise from the regeneration that it would enable as opposed to a purely transport-led scheme. Building on the IRR Urban Design Framework, a Development Framework for the Regeneration of the Northern Stage of the IRR Corridor and West Bar was prepared. This framework detailed a delivery strategy for the regeneration of what would become prominent development sites post-construction of the IRR and West Bar in particular was identified as a major opportunity for redevelopment. On the 23 October 2002 these frameworks were approved by the Cabinet of the Council and authority was given to seek a private sector development partner for West Bar by the Council's Cabinet. At this initial stage, the land ownership pattern of the site at West Bar was entirely fragmented with no single owner holding more than circa 10% of the site.
- 5.2 In 2003, development consultants AGD Regeneration ("**AGDR**") were appointed by the Council to advise on securing delivery of the proposed West Bar area regeneration. AGDR's sub-consultants Urbed advised on urban design and master-planning issues and working with AGDR and the Council a high quality mixed-use neighbourhood design and development concept was created for West Bar Square.
- 5.3 On 12 May 2004 Cabinet received a further report on the Sheffield Central Riverside Strategy. The report updated Members on progress in delivering objectives set out in the Cabinet Report in 2002 and in particular sought authorisation to finalise a development brief and seek a development partner

through competition/selection for the West Bar Square site. At the same meeting approval in principle was given for the use of compulsory purchase powers in pursuit of regeneration in Central Riverside, including West Bar Square.

- 5.4 In late 2004, the Council produced a Development Brief for West Bar Square as the basis for an open developer competition, which identified the potential site area and set out the Council's regeneration objectives. The Development Brief set out 6 key design principles for West Bar Square: Extending the City Centre; Urban Character and Density; Mix of Uses; Integrated Development; Design Quality; and Sustainability. The details of each of these design principles made clear the strategic necessity of a large-scale comprehensive single development across the West Bar Square site.
- 5.5 In early January 2005, the development opportunity was advertised in the property press as a two-stage selection process requiring design proposals and evidence of development capability from developers, with a deadline for "first stage" bids of 21 February 2005. There was a large degree of interest from large-scale development companies and over 20 companies made submissions.
- 5.6 Castlemore Securities Limited was selected from a shortlist of 5 companies that submitted detailed 'second-stage' proposals as the Council's development partner in August 2005. Cabinet approval for this selection was secured on 21 September 2005. Authorisation was also given for appropriate Council Officers to enter into negotiations for the signing of a development agreement and the preparation for initial stages of a compulsory purchase order. In support of the comprehensive redevelopment, site specific Interim Planning Guidance was approved by Cabinet and published in July 2006 ("**the West Bar IPG**") following full public consultation on the draft West Bar IPG over a six week period commencing with a public exhibition on 16 - 18 February 2006.
- 5.7 The development agreement between the Council and Castlemore (West Bar) Limited, a subsidiary of Castlemore Securities Limited (both hereinafter referred to as "**Castlemore**") was signed on the 3 May 2007 (the "**Development Agreement**").
- 5.8 Castlemore submitted an application which was validated on 27 September 2007 and was informed through a design led masterplan approach. Outline planning permission was granted in April 2008 for a mixed use redevelopment for Class B1 (Business), Class A1 (Shops), Class A2 (Financial and Professional), Class A3 (Restaurants and Cafes), A4 (Drinking Establishments), Class A5 (Hot Food Takeaways), Class C3 (Dwellinghouses), Student Housing, and Class C1 (Hotels) and associated roof plant, car parking accommodation and access (Application Reference: 07/03813/OUT) ("**the Castlemore Permission**").
- 5.9 In February 2009, Castlemore went into administration and the Castlemore Permission was never implemented. At the time at which Castlemore went into administration, a degree of land assembly had taken place to the extent that the Council and Castlemore combined owned approximately one-third of the West Bar Square site. In addition the Council acquired the freehold to 33

Love Street, which the Council presently utilises for some elements of its services.

- 5.10 The Castlemore Joint Administrators' proposals for achieving the purpose of the Administration dated 20 April 2009 set out the circumstances leading to Castlemore's administration, which were centred around group cashflow issues and Castlemore's banking arrangements and constraints. No question was raised regarding the viability of the West Bar Square development.

The Developer's involvement

- 5.11 Shortly after Castlemore went into administration, the Council and Castlemore's administrators were approached by Urbo Regeneration Limited ("**URL**"). URL, via its major shareholder Bolsterstone plc, held existing land ownership interests within the West Bar Square site that had been acquired some years before as part of a larger Sheffield-wide portfolio of 'distressed property'.
- 5.12 As URL focuses on large-scale regeneration projects, in partnership with the public sector, it was seen by the Council as a suitable developer partner to drive the project forward. The Council engaged in negotiations with URL during 2009.
- 5.13 URL engaged with PriceWaterhouseCoopers ("**PWC**"), the administrators of Castlemore, in order to discuss the terms of a deal to acquire Castlemore's land ownership interests at West Bar Square and secure transfer of the Development Agreement. Detailed negotiations between the Council, URL and PWC took a number of years to conclude, as part of the wider administration of Castlemore's affairs. This extended period was due to the need to secure various approvals, particularly from Castlemore's main creditor.
- 5.14 On 24 August 2011, the Council's Cabinet authorised approval of the transfer of the Development Agreement to enable URL to become the Council's new development partner. There then followed a protracted and complex series of negotiations to structure a development deal between previous developer Castlemore in Administration and URL with the approval of the Council. This involved considerable work and extensive negotiations and internal approvals by all parties undertaken alongside the design of a revised masterplan.
- 5.15 A revised Development Agreement with the Council was entered into by URL in March 2015. Discussions between the parties took a number of years to conclude, as part of the wider administration of Castlemore's affairs and the need to secure various approvals, particularly from Castlemore's main creditor. During this period, URL undertook the design of a revised masterplan for the Site to respond to the change in market conditions.
- 5.16 In 2016 URL completed a joint venture agreement to deliver the Scheme with Peveril Securities, as part of the Bowmer & Kirkland Group. This formed the developer company, Urbo (West Bar) Ltd, the Developer, and injected further funds into the development including for site assembly. URL's interest in the Development Agreement was assigned to the Developer on 22 June 2016. Consequently, all URL controlled land interests in the site required for the

Scheme are under the control of the Developer and available to carry out the Scheme, under the terms of the Development Agreement.

Evolution of the current Scheme

- 5.17 In late 2011, URL began the design process for the Scheme. In order to provide continuity and understanding of the strategic purpose of the West Bar Square redevelopment, Urbed were appointed to undertake a master planning exercise. Leading architects 5plus were also appointed to work with Urbed on master-planning and to focus on building design. This was in part to ensure a revised design could improve on the Castlemore scheme, deliver a comprehensive development meeting the Council's Development Brief and provide for viable deliverability. This was achieved by creating a flexible framework that allows the development to adjust to meet market demand for both commercial and residential space. This will complement important aspects of the Development Brief such as the focus on high quality public realm and connectivity that will provide significant public benefit for the local community, in contrast to the on-going dereliction of the site due to the current pattern of small plots and low-grade mostly temporary uses.
- 5.18 A masterplan approach was used in the development of the Scheme, acknowledging the need to create a flexible, mixed-use development capable of responding to market demand, whilst ensuring the Scheme would be compatible with wider objectives, as well as with neighbouring development. Five key principles underpinned the masterplan of the Scheme:
- A New Destination and Place-making;
 - Connections to adjacent neighbourhoods;
 - Contextual analysis;
 - Being Environmentally Responsive; and
 - Technically Responsive.
- 5.19 During 2015 and 2016, URL and its full professional team carried out detailed design work and all of the supporting work to prepare the revised outline planning application for the Scheme. This included extensive work on environmental and highways issues and proposals.
- 5.20 As part of the Council's discussions with URL it was decided to exclude the building used as a residential storage warehouse by Armadillo Storage from the Scheme. This unit is a parcel of land on the southern wide of West Bar, separated from the Order Land, and it was jointly agreed that the comprehensive redevelopment would be more coherent if it concentrated to the north of West Bar. The decision to omit this parcel from the Scheme reflected also improvements that had been made to this unit in the intervening period - bringing it back into beneficial use. In March 2005 ahead of SCC appointing a development partner the Council confirmed in writing that it would exclude 81 – 85 West Bar Sheffield (former Moseley Arms) from the proposed redevelopment site boundary owing to the conversion of the building to offices by a local company which was in keeping with SCC

objectives of 'assisting with the expansion of the legal and professional quarter'.

5.21 Due to the scale and importance of the Scheme it was a requirement of the Council's planning policies that stakeholder and community consultation be carried out in advance of submission of a planning application. Therefore this work formed the basis of a programme of public consultation process during 2015 and into 2016 and feedback on the draft proposals for the Scheme, based on the masterplan design, was received from a number of local stakeholders, including:

- Members of Sheffield's Civic Trust
- Cycle Sheffield
- The Sheffield Law Courts
- The Riverside Business District
- The Home Office
- Adjacent businesses including Irwin Mitchell LLP

The wider aims of the draft masterplan to improve and comprehensively regenerate West Bar Square were supported by the vast majority of respondents. Further details regarding the consultation process can be found in the West Bar Square Design and Access Statement pages 36 - 39.

5.22 In addition to public consultation, URL met individual landowners of the Order Land around this time on a one-to-one basis to discuss plans for the Scheme. In addition to these meetings all land-owners were invited to the public consultation open event held on 15 June 2015.

5.23 The West Bar Square outline planning application was originally due to be submitted in Summer 2015 following appointment of the full professional team to prepare the application in March 2015. Whilst comprehensive pre-application meetings had taken place a significant delay occurred from April 2015 when the Council Highways Officers required detailed traffic modelling to be undertaken. This began a cycle of modelling exercises, analysis, reports, negotiations and meetings that took a full year to resolve. In April 2016 a series of mitigation measures supported by traffic modelling satisfied the Highway Authority that they could fully support the planning application without changes to the scale or content of the development.

The Planning Application

5.24 On 29 June 2016, a planning application was submitted to the Council for demolition of existing buildings and erection of buildings on the West Bar Square site to form a mixed use development comprising office, residential, hotel, retail and leisure uses including provision of public realm space and car parking accommodation (Outline application) (the "**Application**" - Application Reference: 16/02518/OUT).

- 5.25 The Application reserved all matters, except for the principal means of access to the Scheme from the junction of Bridge Street/Corporation Street, for subsequent approval based on upper limits of floor space for each use and with an arrangement of uses within identified parameters shown on application drawings.
- 5.26 The Application was accompanied by an Environmental Statement ("**ES**") in accordance with the requirements of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011.
- 5.27 Highways England formally objected to the application on 19 August 2016, following pre-application discussions. This commenced another series of traffic modelling exercises and assessments over a period of several months before recommended conditions were agreed in December 2016 with Highways England, as consultee, resulting in the scale and content of the outline application unaltered.
- 5.28 The Application was presented to the Council's Planning and Highways Committee ("**the Committee**") on 14 February 2017 with a comprehensive Report to Committee which set out all material considerations relevant to the determination of the Application. The Committee resolved to approve the Application and outline planning permission was granted for the Scheme ("**the Outline Planning Permission**").
- 5.29 The Outline Planning Permission permits a mixed use development at West Bar Square with a total floor space of up to 140,000 square metres which may comprise up to 85,000m² of office, up to 50,000m² or 525 units of residential units, up to 20,000m² or 500 bed spaces of hotel use, up to 5,000m² of combined retail and leisure uses and up to 25,000m² or 700 car parking spaces. The Outline Planning Permission secures provision of high quality public realm including new pedestrian routes and two new squares and requires that a minimum of 50% of all development comprises office floor space, as well as requiring compliance with design and place making principles secured as part of a Design and Access Statement submitted and approved as part of the planning application.
- 5.30 The masterplan framework reduced the scale of the development permitted by the Castlemore Permission in line with that envisaged by the original Development Brief and continues to reflect the strategic objectives of the Council for a comprehensive and high quality mixed-use development. Considerable changes to Castlemore's design concept were made, for example by removing the three very tall and costly buildings proposed by Castlemore to be located at the corners of the site - ensuring greater deliverability and viability for the project. This has also been addressed by creating a flexible planning permission. This means that the Outline Planning Permission secures all of the key strategic elements required by the Council, such as the main public square, public realm strategy, massing and design approach, whilst providing considerable flexibility to meet market demand from individual occupiers and funders with bespoke building designs.

Description of the Scheme

- 5.31 In line with the requirements of the Council's Development Brief and the West Bar IPG, the Scheme is a mixed-use development (comprising a blend of

office, residential, hotel, retail and leisure uses) the final design and mix determined by the Developer subject to compliance with planning control and the approval of the Council as a requirement of the Development Agreement.

- 5.32 The final scale and design is therefore otherwise market led and is flexible to allow for a Scheme to reflect market requirements to maximize the potential to deliver a Scheme at an early point following assembly of all land interests the site.
- 5.33 The following provision and uses is expected of the Scheme having regard to the application of planning requirements in policy and material considerations informing the Outline Planning Permission:

Public Realm

- 5.34 At the heart of the Scheme is the provision of high-quality public realm. Two new public squares are proposed comprising:
- West Bar Square - which will form the principal social and amenity heart of the development with a predominantly commercial area; and
 - Kelham Square (also referred to as 'Soho Square') - to the north of the Scheme which will have a more private residential typology.

- 5.35 This is a key component and requirement of the Development Brief and the West Bar IPG.

Office

- 5.36 Office use is expected to comprise a predominant part of the Scheme, in accordance with local planning policy requirements.

Retail and Leisure

- 5.37 Retail and leisure uses will be expected across the ground floor levels of the new buildings that are adjacent to public routes and spaces so as to create a mixed-use community and to encourage active building frontages and a vibrant street scene.

Residential

- 5.38 Residential development is expected in the form of apartments along the Bridge Street frontage of the Scheme, adjacent to established residential uses and the growing residential community at Kelham Island.

Hotel

- 5.39 Hotel use could occupy an area or areas to the west of the Courts and/or to the southern, northern or western edges of the West Bar Square site, facing the IRR.

Traffic and Transport

- 5.40 The Scheme is located within a highly sustainable location in the City Centre which has excellent public transport provision with bus, rail and tram services available within a short walk of the Order Land. Sheffield Railway Station is located approximately 1.5 km to the south of the Order Land and there are a number of bus routes which run along West Bar, providing links across the City Centre.
- 5.41 The principal means of access to the Scheme will be from Bridge Street.
- 5.42 The Order Land can currently be accessed from the surrounding areas by car from both Bridge Street from the west and Corporation Street from the east. Car parking is proposed as part of the Scheme, as well as the potential for individual buildings to contain undercroft parking. Car parking provision is flexible to provide ability to meet future occupier requirements. There are also a number of public car parks within close proximity to the Order Land, including the adjacent multi-storey car park on Millsands.
- 5.43 The Scheme is expected to deliver material improvements to connectivity between the City Centre and the wider West Bar and Riverside area, and adjoining areas through the use of improved permeability through the site and the creation of new pedestrian and cyclist dominated streets within the Scheme - greatly improving amenity and safety for its users.

6. PLANNING STATUS OF THE ORDER LAND

Status of Planning Permission for the Scheme

- 6.1 The Scheme benefits from Outline Planning Permission which is extant and for which the Council considers that there is market demand and requirement.

Planning Policy Background

- 6.2 In resolving to grant Outline Planning Permission for the Scheme the Council has taken into account all relevant planning policy and guidance and all other material planning considerations as required by Section 38(6) of the Planning and Compulsory Purchase Act 2004 ("**2004 Act**") and Section 70(2) of the 1990 Act. It will continue to take into account all of these considerations to determine the reserved matters applications for the Scheme when submitted.
- 6.3 The following policies were considered as part of the Council's determination and are relevant to the proposals for redevelopment on the West Bar Square site:

National Planning Policy

- 6.4 The Government's planning policies for England and how they are expected to be applied are set out in the National Planning Policy Framework ("**NPPF**") and are material planning considerations. The pursuit of sustainable development is the key principle of the NPPF, and this involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people's quality of life.
- 6.5 The Scheme is considered by the Council to be consistent with the requirements of the NPPF.

Development Plan Policies

- 6.6 The Development Plan for this area within Sheffield comprises the following documents:
- 6.6.1 The Sheffield Development Framework Core Strategy ("**the Core Strategy**"); and
 - 6.6.2 The saved policies of the Sheffield Unitary Development Plan ("**the UDP**").
- 6.7 The UDP was prepared in accordance with the requirements of the 1990 Act and was adopted in March 1998, covering the period to 2010. Whilst a number of UDP policies were saved from September 2007, following a Direction issued by the Secretary of State under paragraph 1(3) of Schedule of the 2004 Act, the majority of the saved policies have since been replaced by those contained in the Core Strategy, or will be replaced by those in the emerging Sheffield Local Plan (see paragraph 6.15). The Report to Committee for the Outline Planning Permission set out that it was considered *"more appropriate in this case to determine the application in accordance with more up to date policy guidance which is contained with the West Bar IPG, the adopted Sheffield Core Strategy and the NPPF"* rather than the saved policies of the UDP. Limited weight is therefore afforded to the UDP in consideration of the redevelopment of the West Bar Square site.

The Core Strategy

- 6.8 The Core Strategy was prepared in accordance with the 2004 Act and adopted on 4 March 2009. It contains the overall vision, objectives and spatial strategy and policies for Sheffield over the period to 2026. As the Core Strategy was prepared in advance of the NPPF, due weight should be given to relevant policies in accordance with their degree of consistency with the NPPF, in line with paragraph 215 of the NPPF.
- 6.9 The relevant policies of the Core Strategy for the purposes of the Scheme are:
- 6.9.1 CS2 - identifies brownfield/previously developed land as being the priority for business and industrial development;
 - 6.9.2 CS3 - identifies the City Centre and accessible locations at its edge as the priority location for office development which should account for 65% of total office development in the city;
 - 6.9.3 CS6 (d) - identifies the West Bar area as a manufacturing transition area where historic manufacturing uses should not expand and will be encouraged to relocate;
 - 6.9.4 CS17 (k) - identifies West Bar as becoming a mixed use area of predominantly business uses, with an emphasis on legal and financial professions, due to its proximity to the courts complex, and also a location for new housing and a new neighbourhood centre and public open space;

- 6.9.5 CS24 - seeks to maximise the use of previously developed land for new housing;
- 6.9.6 CS26 - sets a minimum density of 70 dwellings per hectare in the City Centre in order to make efficient use of land for housing, subject to design and amenity issues;
- 6.9.7 CS40 - states that developers of all new housing schemes will be required to contribute towards the provision of affordable housing where practicable and financially viable;
- 6.9.8 CS51 - sets out six strategic priorities including developing alternatives to the car, improving air quality, containing congestion levels and supporting economic growth through demand management measures and sustainable travel initiatives;
- 6.9.9 CS53 - seeks to make the best use of the existing road capacity, promote good quality public transport, walking and cycling and use travel plans to maximise use of sustainable forms of travel and mitigate the negative impacts of transport;
- 6.9.10 CS54 / CS55 - seeks to promote, improve and develop pedestrian and cycle routes;
- 6.9.11 CS60 - seeks to manage increased demand for trips by improving public transport, introducing controlled parking zones, development of car clubs and controlling the provision of long stay car parking;
- 6.9.12 CS61 - seeks to establish a pedestrian priority zone that will allow safe, convenient and comfortable movement for pedestrians within and through an area and West Bar is identified as an area where such improvements will be sought;
- 6.9.13 CS63/64/65 - set out the Council's approach to dealing with climate change and sustainability;
- 6.9.14 CS66 - states that action to protect air quality will be taken in all areas of the city;
- 6.9.15 CS67 - seeks to reduce the extent and impact of flooding by incorporating a series of measures into developments, including:
- Requiring new development to limit surface water run-off;
 - Ensuring buildings are resilient to flood damage;
 - Promoting the use of sustainable drainage techniques; and
 - Not culverting and not building over watercourses where possible.
- 6.9.16 CS74 - seeks to deliver high-quality development which respects, takes advantage of and enhances the distinctive features of the city, its districts and neighbourhoods;

- 6.9.17 CS75 (c) - identifies the Inner Ring Road as gateway route in need of improvement; and
- 6.9.18 CS76 - sets out a series of broad criteria which identify where tall buildings will be acceptable in order to help define gateway sites, mark areas of civic importance, principal activity nodes or key routes, form the focal points or enhance the city skyline, reinforce topography, support the vision for the city quarters and reflect the strategic economic vision for the city.
- 6.10 The Council considers that the Scheme is consistent with the relevant policies of the Core Strategy in delivering a comprehensive approach to the West Bar "quarter". Policy CS17 (k) in particular is in line with the UDP's identification of the site as part of a Business Area with a preferred and material element of Grade A Office use.

Other Material Considerations

Interim Planning Guidance for West Bar

- 6.11 The West Bar IPG was approved by Cabinet and published in July 2006 to cover the transitional stage between the UDP and the adoption of the Core Strategy for the West Bar Square site. It is considered by the Council to be in conformity with the objectives of the Core Strategy. A fundamental element of the West Bar IPG is the need to develop the site in *"a comprehensive way in order to produce an integrated and economically viable scheme ensuring new development is of significant architectural merit and secures high quality public realm both of which are required to transform the area. A comprehensive approach will also overcome the obsolete street layout, ensure that an appropriate mix of uses is delivered in an appropriate order, ensure that a consistent and comprehensive approach can be taken to design issues which will emphasise gateway locations. Any development that conflicts with the IPG will not achieve this objective and will be resisted"*.

The West Bar IPG determines the preferred use within the West Bar Development Area to be offices (use class B1(a)) and forming at least 50% of the gross floor space created on the site

Community Infrastructure Levy and Planning Obligations Supplementary Planning Document (SPD)

- 6.12 The SPD was approved by Cabinet on 9 December 2015 and provides guidance supplementing the policies of the Core Strategy to:
- Assist the Council in meeting the objectives of sustainable development; and
 - Provide clarity to landowners, developers, planners, stakeholders and local residents regarding the basis on which planning obligations and developer contributions will be sought.
- 6.13 The SPD identifies affordable housing provision based on viability across a particular area. The Order Land falls within the City Centre Area, where the

contribution is zero. There is therefore no requirement to provide affordable housing as part of the Scheme.

Climate Change and Design Supplementary Planning Document and Practice Guide

- 6.14 The Climate Change and Design Supplementary Planning Document and Design Practice Guide was adopted by Cabinet on 23 March 2011 and contains guidelines relating to policies CS64 to CS67 of the Core Strategy relating to environmental sustainability. The document aims to provide information to developers about the range of ways in which they could satisfy the targets contained in the Core Strategy policies, without prescribing set approaches.

City Policies and Sites Local Plan ("the Pre-Submission Local Plan")

- 6.15 The purpose of this document was to supplement the policies of the Core Strategy through policy areas and site allocations. Full Council granted approval to publish the Pre-Submission Local Plan for submission to the Secretary of State on 3 April 2013, however the Cabinet subsequently resolved on 18 December 2013 to commence work on a new Local Plan as a result of the Government requirement to demonstrate a five-year housing land supply and allocate sites for Gypsies and Travellers. An 'Informal Draft' (Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012) version of the new Local Plan is being prepared currently and is due to be consulted on in Summer 2018. Whilst not adopted, nor examined, the Pre-Submission Local Plan is a material consideration, with weight given to it in accordance with paragraph 216 of the NPPF given the:

- Stage of preparation (the more advanced the preparation, the greater weight that may be given);
- Extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and
- Degree of consistency of the relevant policies in the emerging plan to the policies in the NPPF (the closer the policies in the emerging plan to the policies in the NPPF, the greater the weight that may be given).

- 6.16 The Pre-Submission Local Plan identified the Order Land as a Business Area and proposed a site allocation with minimum provisions of use for office and a maximum provision of residential uses. The objective of a Business Area and site allocation are both are being carried forward into the new Local Plan with the West Bar Square site as a landmark site with a focus for business uses as part of a comprehensive mixed use development and a Priority Office Area with minimum provision of office use expected to be provided. Pending examination and adoption of the new Local Plan the weight to be attached to it is limited.

Planning Policy justification for the Scheme

- 6.17 The Scheme is supported by planning policy at all levels.

- 6.18 The Report to Committee for the Outline Planning Permission confirms that the Scheme *"is considered to be compliant with the West Bar IPG, relevant Core Strategy policies and the more general guidance contained in the NPPF"*. It stated that the Scheme will *"effectively form an extension of the city centre and provide much needed links between the Cathedral Quarter, the Central Riverside and Kelham Island areas of the city, which have been the subject of substantial regeneration over the past few years"*.
- 6.19 Furthermore, the Report to Committee stated that *"officers are satisfied that the development will be of an appropriate quality to deliver the comprehensive redevelopment of this site, which has been a long standing priority for the city for a number of years...Overall the development represents a significant and welcomed regeneration project and secures substantial investment and employment opportunities for the Sheffield City Region."* On this basis the Application was recommended for approval, subject to conditions. The resulting Outline Planning Permission is consistent with the Scheme objectives.

7. JUSTIFICATION FOR USE OF COMPULSORY PURCHASE POWERS

Need for Compulsory Purchase

- 7.1 The Order Land comprises a large urban site in fragmented ownership, which is suitable for and required in order to secure the carrying out of the Scheme. In summary, the Council considers that:
- 7.1.1 the Scheme accords with national and local planning policies; in particular, policies which support the creation of vibrant and viable city centres - as detailed in Section 6;
 - 7.1.2 the Council has been taking steps for at least 15 years to promote the redevelopment of West Bar and the making of the Order will enable the Council to secure the delivery of an important regeneration project and fulfil the purpose and Council's planning objectives for the West Bar Square site - explained further in Section 6;
 - 7.1.3 the Scheme will make a major contribution to improving the social, economic and environmental well-being of the Order Land and Sheffield as a whole - as explained further below in this Section;
 - 7.1.4 having entered into a Development Agreement with the Developer for the delivery of the Scheme, the Council is satisfied that the Scheme will be funded, is viable and that there is a market requirement for the Scheme - explained further in Section 8; and
 - 7.1.5 all of the Order Land is required to deliver the comprehensive redevelopment and, without a compulsory purchase order, it is not anticipated that the Order Land would ever be assembled to enable the Scheme to proceed. The Council therefore considers that the purposes of the Scheme and the strategic provision of large floor-plate office space in particular could not be achieved without a compulsory purchase order.

- 7.2 The Guidance states that "a compulsory purchase order should only be made where there is a compelling case in the public interest". The Council has given very careful consideration to the need for the Order and, due to the substantial public benefit which would arise from the implementation of the Scheme, believes that the well-being tests set out in Section 226(1A) are fully satisfied (for reasons that include those explained below as well as elsewhere in this Statement), and that there is a compelling case in the public interest for the confirmation of the Order.

Contribution to Well-being

Economic Well-being

- 7.3 The West Bar Square site represents a landmark site which is supported by the Council's existing and emerging local planning policy as a focus for mixed use with emphasis on business uses (as part of the Riverside Business District area) as part of a comprehensive and large floor-plate Scheme, benefitting from its proximity to the City Centre, sustainable location near multiple modes of public transport and its gateway location fronting the IRR (a main arterial route in to and out of the City Centre).
- 7.4 The Council's Core Strategy envisages the potential for emphasis, but not exclusively, on the legal and financial professions, the site being located close to the Courts but also as a location for new hotel(s) to support the visitor economy and new housing and a new neighbourhood centre and public space owing to its sustainable location.
- 7.5 The site has substantial economic potential and is currently significantly underutilised and failing to realise its full potential to contribute to the local economy.
- 7.6 The Council considers that there is a need and demand for large floor-plate employment space in the City Centre and West Bar Square is an important site that can accommodate this provision and contribute to the City's competitiveness and viability as destination for inward investment. This is becoming increasingly important as there is now very little Grade A office space available in the city centre. A lack of such floor space restricts opportunities for economic growth and can lead to stagnation.
- 7.7 The Council's draft City Centre Plan (2018) recognizes the need for a broad mix of office types and supply to meet modern business needs from diverse sectors. The Plan identifies three distinctive business districts within the City Centre and West Bar Square is highlighted as forming a major opportunity within the Riverside Business District.
- 7.8 It is estimated that there are currently less than 150 people employed on the site of the Order Land. Based on a 5 year construction period it is expected that redevelopment of the site will support on average between 460-580 temporary construction jobs a year. Once completed, it is expected that the development will deliver commercial employment floor space supporting around 3,660 full time jobs and provision for up to 850 new residents.
- 7.9 The Scheme is also expected to act as a catalyst for further investment and confidence in surrounding areas, particularly the Burngreave area.

Environmental Well-being

- 7.10 The current state of built development, street layout and functionality of the West Bar Square and surrounding footways is poor quality and remaining Victorian industrial buildings are dilapidated, in poor state of repair, inefficient and/or are not built for modern purposes and uses consistent with policy objectives for Riverside Business District area. Many buildings have been demolished as part of site clearance and plots have been cleared to varying standards of repair/remediation, some of which are used as open air low grade car parking, and which are otherwise performing poorly in environmental terms.
- 7.11 Given the important location of the site as a gateway to the City Centre, it makes little or no positive contribution to the City Centre's townscape and detracts from the surrounding area, including the historic Castlegate area and other neighbouring areas that have been improved from redevelopment and refurbishment over the last several years, in particular Kelham Island, Riverside Exchange development and the Cathedral Quarter.
- 7.12 The existing street pattern of the West Bar Square site is largely defunct, is of generally poor quality and is a particular characteristic that detracts from the area and its function as a site that links the City Centre to other areas and neighbourhoods, particularly on foot and by cycle.
- 7.13 The Scheme provides the opportunity to make a valuable contribution to environmental well-being of the area as part of redevelopment proposals and requirements of the Outline Planning Permission, including:
- 7.13.1 Improvements to ground conditions, including contamination;
 - 7.13.2 Improvements to the existing footways around the site;
 - 7.13.3 Rationalisation of the existing street pattern - delivering linkages through the Scheme to and from the City Centre with greater emphasis on pedestrian and cycle permeability;
 - 7.13.4 Provision of high quality hard and soft landscaping around the site including the provision of high grade public realm comprising of the creation of two public squares that will provide places to meet and act as community hubs;
 - 7.13.5 Improvement to townscape and visual character through high quality design of buildings, public space and use of high quality materials in accordance with principles established in an approved Design and Access Statement; and
 - 7.13.6 Improved energy efficiency in the construction of new building meeting current building standards.

Social Well-being

- 7.14 For reasons explained above, the West Bar Square site performs poorly in terms of connectivity and permeability and provides no or little active ground

floor activity with very few opportunities for people to meet and socialise, or for community activity.

- 7.15 The Scheme provides a significant opportunity to bring about substantial improvement to social well-being by the provision of a high quality development with emphasis on 'place making' through design following the principles established in the approved Design and Access Statement. The Scheme will, amongst other things, provide:
- 7.15.1 Creation of public spaces and opportunities for people to meet and congregate concentrated around two new public squares;
 - 7.15.2 Active ground floor retail and leisure to encourage greater footfall and social activity;
 - 7.15.3 Improvements through the site for pedestrians and cyclists creating a safer and better connected and permeable space;
 - 7.15.4 High quality places to work through the creation of Grade A employment floor space;
 - 7.15.5 High quality and sustainable housing stock close to the City Centre and Scheme amenities for use by new residents; and
 - 7.15.6 High quality and accessible hotel facilities benefiting from the Scheme amenities and proximity to the City Centre visitor attractions.

Acquisition by agreement

- 7.16 The Guidance requires the acquiring authority to demonstrate that they have taken reasonable steps to acquire all of the land included in the Order by agreement.
- 7.17 Details of the main properties that remain to be acquired in the Order Land are set out in Section 3 above. The Council officers are satisfied that discussions and negotiations have been undertaken with the owners of these properties over a sufficient period of time and that each has been made offers on justifiable terms.
- 7.18 The Developer has led (and continues to progress) discussions with all of the affected landowners since being appointed, then as URL, as the Council's new development partner in August 2011. These discussions have taken the form of a number of joint meetings and periodic but regular individual correspondence and telephone calls. The Developer has regularly briefed Council officers as to progress and the Council is satisfied that attempts to negotiate have been made to acquire all known interests.
- 7.19 The Developer has ensured that landowners have been kept up-to-date as the Scheme has progressed and where milestones in its delivery have been reached.
- 7.20 Through briefings with the Developer, Council officers are fully aware and supportive of the attempts that have taken place to acquire the outstanding

interests. More recently Council officers have also been directly advised by specialist property agents, BNP Paribas, who have led these negotiations.

- 7.21 The Council officers and the Developer are sufficiently familiar with the particular operations of each of the remaining businesses, based upon their discussions with the affected parties, that they are satisfied that the requirements of these businesses are such that they are capable of being adequately accommodated in alternative premises in the Sheffield area. The Council is satisfied that no case falls to be considered as warranting assessment for equivalent reinstatement. The Council officers have been provided with information (that has been provided by the Developer to the remaining land owners) as to available relocation opportunities in the area and which the Council considers should be reasonably suitable.
- 7.22 Although together the Council and the Developer currently own or have control of the majority of the Order Land, which demonstrates considerable progress since the original Development Brief, the implementation of the Scheme requires the acquisition of a number of remaining land interests in order to achieve comprehensive delivery of the Scheme.
- 7.23 Whilst continuing efforts to acquire remaining interests on a voluntary negotiated basis will continue, a number of interests are expected to need to be acquired through the exercise of compulsory purchase powers to ensure the implementation of the Scheme, including interests where the owner is unknown.
- 7.24 The Council will continue to ensure that all reasonable attempts are made to acquire the required land by agreement through discussions headed by the Council and Developer's jointly appointed specialist agents, in parallel with the compulsory purchase process. This approach of making the Order and, in parallel, conducting negotiations to acquire land by agreement is in accordance with the Guidance.

8. DELIVERY OF THE SCHEME

Can the Scheme be delivered by other means?

- 8.1 The Council is satisfied that intervention is appropriate and that the "do nothing" option has been considered but is rejected in the knowledge that the ongoing fragmentation of ownership materially risks the development of the site as a comprehensive development and is likely to lead to piecemeal development of singular plots of varying sizes all of which are constrained by the existing street pattern. This approach would not deliver the key objectives of the Scheme which are expected of large scale comprehensive redevelopment (to include large footprint buildings) in accordance with the policy objectives for the area including the level of job creation, public realm improvements and integrated development that will foster the creation of a new mixed-use neighbourhood as part of the Riverside Business District and bring about the substantial public benefits and well-being improvements for the area.
- 8.2 Whilst the Council and the Developer are continuing to work to negotiate voluntary acquisition of all the Order Land this option is deemed uncertain

with no defined timeframe and continues to materially risk the realisation of the Scheme.

Funding and Market demand

- 8.3 Under the Development Agreement, the Developer is responsible for paying the Council's Project Management and Legal costs. The Developer has also fully indemnified the Council in respect of all costs and expenses incurred by the Council in connection with the Order including purchase costs and the payment of all proper CPO compensation.
- 8.4 The Council holds a freehold or other interest in a proportion of the West Bar Square site. The Development Agreement provides for the Developer to acquire this at market value at the time that it is drawn down.
- 8.5 The terms of the Development Agreement are underwritten/guaranteed by Arnold Laver & Company Limited. In 2016, a joint venture agreement was entered into by URL to deliver the Scheme with Peveril Securities, as part of the Bowmer & Kirkland Group. This formed the Developer company, Urbo (West Bar) Ltd, and injected further funds into the development including for site assembly.
- 8.6 The cost of the development is expected to be funded by the Developer via a mixture of debt/bank financing and from receipts generated by the Developer from the letting and disposal of elements of the Scheme.
- 8.7 Specialist agents, BNP Paribas have been appointed to the Council and the Developer and are advising as to financial performance of the Scheme and the anticipated and actual market interest in the Scheme. Knight Frank is also advising the Developer on the status of market interest as part of marketing the site for redevelopment.
- 8.8 Council officers have reviewed financial appraisals detailing all Scheme costs required to deliver the Scheme, including details of finance models.
- 8.9 Council officers are aware from discussions that have and are taking place with the Developer that there has been and is expected to be market requirement for the Scheme from parties with substantial covenant strength and that there have been expressions of interest.
- 8.10 The Council is satisfied that once the land interests required for the Scheme have been assembled under the Order, this addresses the one significant impediment that has given rise to the inability of the market to bring the site forward for comprehensive redevelopment.
- 8.11 The Council is satisfied that, once the Order Land is assembled, there are no other insurmountable impediments preventing the Scheme from being delivered (see Sections 9 and 10 below). The Council's expectation is that market conditions and its understanding of expressions of interests in the Scheme are such that its delivery will be realised and that it would be commercially advantageous for the Developer to do so.
- 8.12 The Scheme is one of the largest urban regeneration projects in the North of England and provides Sheffield with the opportunity to attract large scale

office occupiers, which might otherwise choose other regional locations. The Scheme has the sufficient scale and mix of complimentary amenity uses, in a campus environment, to attract these major employers.

- 8.13 The City lacks large scale office sites in the City Centre, in particular following the success of developments such as St Paul's Place (Heart of the City) and Digital Campus both of which are now largely complete. As such there are very few options in the City Centre to accommodate major occupiers, either in existing buildings or on a build to suit basis. .
- 8.14 Sheffield has historically fared well in attracting large scale office users from both the private and public sector: for example Aviva; HSBC; Irwin Mitchell; The Home Office; DWP; Dept for Education; DLA Piper; HBOS; CMS; B Sky B; and Capita, to name a few. The dominant sectors in Sheffield are Finance, Professional & Business Services, Information / Communications, Administration & Support Services. These occupiers invariably require modern, efficient, large floor-plate buildings. The Scheme therefore provides a unique opportunity in Sheffield to offer larger floorplates, up to 50,000 sq ft, or interconnecting buildings to attract these inward investor companies.
- 8.15 The Developer appointed specialist agents, BNP Paribas and Knight Frank who have been 'soft marketing' the Scheme for 2 years toward inward investor / large scale employment users. The Council officers are cognisant of expressions of interest that have been made in the site which has included a requirement from an International Financial Services Institution, for a new HQ office in Sheffield of circa 150,000 – 200,000sq ft on a pre-let basis. The Council understands that a major hurdle the Developer has experienced in securing a pre-let is the uncertainty that remains in respect of the timing of all land assembly required to deliver the Scheme.
- 8.16 Council officers expect that the Scheme in the form of large scale comprehensive employment use coupled with residential development, will stimulate demand for complimentary hotel, leisure and retail uses on site given the estimated quantum of employees and residents who would work and live on the site and the potential for the site to become a destination in close proximity to and adjunct to the City Centre. The Scheme location is considered to be suitable for the development of large 'build to rent' residential development, set within a modern campus environment close to the City Centre and to the Riverside Exchange and Kelham Island districts which are already well established.
- 8.17 Council officers are satisfied that based on the information available and specialist advice provided by BNP Paribas, that if the Order is confirmed, there is sufficient expectation of continued market requirement and interest in the Scheme and that the Scheme is financially viable and capable of being delivered.

9. HUMAN RIGHTS AND PUBLIC SECTOR EQUALITY DUTY

- 9.1 The Guidance states that when making a CPO, acquiring authorities should be sure that the purposes for which the CPO is made justify interfering with the human rights of those with an interest in the land affected.

- 9.2 The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights (the "Convention"). The Convention includes provisions in the form of Articles, the aim of which is to protect the rights of the individual.
- 9.3 In resolving to make the Order the Council has carefully considered the rights of property owners affected by the Order generally and, in particular, under the following Articles of the Convention, against the wider public interest:

Article 1 of the First Protocol to the Convention

- 9.3.1 This protects the right of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.

Article 6 - Right to a Fair Trial

- 9.3.2 This entitles those affected by the Scheme to a fair and public hearing. This includes property rights and can include opportunities to be heard in the consultation process.

Article 8 - Right to respect for private and family life

- 9.3.3 This protects private and family life, home and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and is necessary in the interest of national security, public safety or the economic well-being of the country.

Article 14 - Anti-discrimination

- 9.3.4 This protects the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.
- 9.4 The European Court of Human Rights has recognised in the context of Articles 1 and 8 that *"regard must be had to the fair balance that has to be struck between competing interests of the individual and of the community as a whole"*. Both public and private interests are to be taken into account in the exercise of the Council's powers and duties as a local planning authority. Any interference with a Convention right must be necessary and proportionate.
- 9.5 Public benefits of the Scheme are set out in this Statement and summarised in Section 7 and include:
- 9.5.1 Regeneration of under-utilised land currently acting as a barrier to the economic and social prosperity of the West Bar area, which will connect the emerging new riverside districts to the City Centre and create new pedestrian linkages and improve amenity and safety for pedestrians and cyclists;

- 9.5.2 Much needed City Centre provision of commercial employment floor space capable of supporting around 3,660 full time jobs as well as creating new high quality residential premises for up to 850 residents;
- 9.5.3 The creation of high-quality public realm via the provision of two new public squares; and
- 9.5.4 Based on a 5 year construction period, it is expected that the redevelopment of the site will support on average between 460-580 temporary construction jobs a year.
- 9.6 Those affected by the Order will be limited, the Order Land currently employs around 150 full time jobs and the Council is satisfied that the limited number of remaining commercial businesses that require or may require relocation are capable of finding suitable alternative premises in the Sheffield area. No residential occupiers are displaced as a consequence of the Scheme.
- 9.7 In addition to the publicity and consultation on the planning application for the Scheme, all the known owners and occupiers of land within the Order Land have been contacted regarding the Scheme. Further representations can be made to the Order by those affected, who have a right to object and those objections will be considered by an independent inspector appointed by the Secretary of State, at any public inquiry that the Secretary of State decides to hold in connection with the Order. Those parties, whose interests are acquired under the Order, will be able to claim compensation under the relevant provisions of the Compensation Code in respect of any loss they may incur as a result of the vesting of the Order Land.
- 9.8 In light of the significant public benefit which would arise from the implementation of the Scheme and limited impact on existing occupiers, the Council has concluded that it would be appropriate to make the Order. It does not regard the Order as constituting any unlawful interference with individual property rights and that the correct balance has been struck between the public interest and those individual rights.
- 9.9 The Council has also paid due regard to its public sector equality duty under Section 149 of the Equality Act 2010. The Council has given consideration to all the protected characteristics in the Equality Act 2010 to ensure that any potential impacts of the proposed Order on these groups of people have been considered and where possible mitigated.
- 9.10 The redevelopment of the site will be of universal positive benefit for all local people regardless of age, sex, race faith, disability, sexuality etc. Local people will benefit from the creation of a significant number of new full and part time jobs. The socio-economic and community cohesion impacts locally will be particularly positive.

10. OTHER MATTERS AND SPECIAL CONSIDERATIONS

Related Orders

- 10.1 In order for the Scheme to be carried out in accordance with the Outline Planning Permission or otherwise, it will be necessary to stop-up a number of

areas of public highway within the West Bar Square site and some element of footways adjoining and surrounding the site.

- 10.2 In parallel with the Order, the Developer is making an application to the Secretary of State under Section 247 of the 1990 Act for the stopping up of public highways that are necessary to enable development of the Scheme that accords with the parameters approved under the Outline Planning Permission and meets the requirements imposed under planning conditions and in particular the requirement in Planning Condition 19 to provide footway improvements surrounding the Scheme. The areas to be stopped up are required to support built structures and public realm improvements as part of the delivery of the Scheme in accordance with the principles set out in the approved Design and Access statement. The remaining parts of public highway (carriageway and footway) to be retained within the Order Land boundary are required to retain access to the Courts and the Yorkshire Electricity Distribution Limited ("YEDL") substation and their facilities.
- 10.3 Council Officers have been provided with details of the [draft] Stopping Up Order plan and believe that it correctly identifies all of the public highways that will be need to be stopped up to enable the Scheme to be carried out under the parameters permitted under the Outline Planning Permission, as follows:
 - 10.3.1 Workhouse Lane from the back of footway at its junction with West Bar for a distance of 48m, retaining access from Spring Street to the electricity sub-station and disabled parking bays. Maximum width 18m.
 - 10.3.2 Water Street from the back of footway at its junction with Corporation Street to the back of footway at its junction with Love Street a distance of 53m and maximum width of 5.0m.
 - 10.3.3 Love Street from the back of footway at its junction with Spring Street to 45m due west of its junction with Bridge Street, a total length of 102m at maximum width of 13m
 - 10.3.4 Plum Street from the back of footway at its junction with Corporation Street to its eastern extremity. A total length of 52m and maximum width of 6.6m
 - 10.3.5 Plum Lane from the back of footway at its junction with Corporation Street to the back of footway at its junction with Bridge Street. A total length of 97m and maximum width of 10.7m
 - 10.3.6 Bridge Street footway in an semi-circle with a base along the existing retaining wall at the northern most plot of 17.5m and apex of 6m measured from the midpoint of the base.
- 10.4 In addition, there may be need for temporary and/or permanent traffic regulation orders to be promoted as a consequence of the construction and/or operation of the Scheme and which may be secured by the Council as local highway authority or may be a requirement of the proposed Stopping Up Order.

- 10.5 The Developer is in discussions with affected statutory undertakers with apparatus under public highways to agree to the extinguishment and/or diversion of this apparatus by agreement with those statutory undertakers.
- 10.6 Continued access required to an electricity substation owned by YEDL and to the Courts will be maintained (see below).
- 10.7 It is intended that any unresolved objections to these applications/orders will also be dealt with at the same time as any inquiry to be held in respect of the Order and that the Council will support the Developer's application for Stopping Up.
- 10.8 As part of highway improvement works associated with the Scheme, the Developer is expected to carry out other improvements to existing public highway to be retained and which is triggered under the Outline Planning Permission by delivery of certain volumes of floor space within the Scheme. These works will be secured under a highways agreement with the Council:
- Alterations to the existing A61/Bridge Street junction to allow two-way traffic via a left turn only arrangement for traffic exiting Bridge Street
 - Closure of a short section of Chatham Street north of Derek Dooley Way Roundabout and changes to the existing PM signal timing
 - Signal timing adjustments at Corporation Street/Inner Relief Road roundabout to assist with network efficiencies and priorities.
 - Amendments to signal timings at the Corporation Street Roundabout
 - Advanced signage on the approach to the Derek Dooley Way Roundabout to influence driver behavior and improve current poor lane usage
 - Localised widening at the left turn to Corporation Street from the Inner Relief Road
 - Provision of variable message signing for the proposed new car park
 - Footway improvements adjoining all boundaries of the site (in accordance with the relevant Urban Design Compendium Standards or any such standard approved by the Council that may supersede the Urban Design Compendium
 - Provision of street trees within the adopted highway or application site (Inner Relief Road/Corporation Street site frontages).

Crown Land

- 10.9 The Crown holds a long leasehold interest in part of the Order Land, namely Plots [5, 7, 34, 37 and 90 - 91] which is registered to the Secretary of State.
- 10.10 As explained in Section 3, land held by or on behalf of the Crown is not capable of being acquired compulsorily and therefore the Council and the

Developer have engaged with agents appointed by the Courts to deal with its land interests. [The appropriate Crown body has confirmed its agreement in principle to the transfer of its interest in its leasehold interest in these Plots subject to reaching agreement on detailed terms for transfer and providing its consent to the inclusion of the Crown Land in the CPO in order to acquire all other third party interests. Final confirmation is awaited]

- 10.11 Access to the Courts by vehicle (and on foot) will be maintained by public highway along Spring Street and via a section of Love Street that will not be stopped up.

Special Category Land

- 10.12 Plot [4] comprises the half width of public highway fronting the electricity substation owned by YEDL. The paper title to the sub-soil in this part of the highway is unknown but may be owned by YEDL under legal presumption. To the extent that YEDL is the owner in the land and can demonstrate that it is used for its undertaking, it is entitled to object to its own Minister to the acquisition of its land by compulsion where it considers that such acquisition would cause serious detriment to its undertaking with or without replacement. Council officers are satisfied that no serious detriment will be caused to YEDL whose access to the substation is taken via Spring Street. In any event Spring Street and this section of Workhouse Lane are not proposed to be stopped up as part of the stopping up order that will be promoted alongside the CPO, and are instead expected to be retained for vehicular and pedestrian access/egress. Any further or subsequent stopping up or variation to this arrangement would be subject to its own separate application for an order to stop up, for which an opportunity to make representations would be available to YEDL. Council officers are aware that the Developer is liaising with representatives for YEDL on the proposed application for stopping up that will be promoted in parallel with the CPO.

- 10.13 There are otherwise no special kinds of land in the Order Land other than the Crown land interests.

Statutory Undertakers

- 10.14 The rights of statutory undertakers are protected by Section 236 of the 1990 Act which provides that rights vested in, or apparatus belonging to, statutory undertakers for the purpose of the carrying on of their undertaking shall not be extinguished upon the completion of compulsory acquisition of land vested in an acquiring authority.
- 10.15 The apparatus of statutory undertakers will be retained except where otherwise diverted, relocated or removed with the prior agreement of the relevant undertaker. It is expected that diversions will be needed for apparatus currently located within the public highway to be stopped up as part of the implementation of the Scheme, as explained above. The Developer and its contractors and agents are engaging the affected undertakers as part of that exercise and expect to reach agreement with those parties affected.
- 10.16 YEDL has a freehold interest in an electricity substation on the edge of the Order Land (on Workhouse Lane). Access to and from the substation will be

maintained via Spring Street which is not to be stopped up as part of proposals for the Scheme.

Conservation Area

10.17 The Order Land is not located in a conservation area and does not contain any listed buildings or scheduled Ancient Monuments.

11. THE VIEWS OF GOVERNMENT DEPARTMENTS

11.1 No views have been expressed by a government department about the proposed development of the Order Land, except as otherwise set out elsewhere in this Statement.

12. ADDITIONAL INFORMATION AND CONTACT DETAILS

12.1 Persons requiring further information regarding the Order should contact Matthew Hayman at Sheffield City Council on 0114 273 5310; [email: matthew.hayman@sheffield.gov.uk](mailto:matthew.hayman@sheffield.gov.uk); address: City Regeneration Division, Sheffield City Council, Howden House, 1 Union Street, Sheffield, S1 2SH.

12.2 Owners and tenants of properties and any other parties with interests affected by the Order, who wish to negotiate a sale or discuss matters of compensation should contact Matthew Hayman, as above.

12.3 Tenants or businesses may wish to investigate relocation to alternative premises and again enquiries in this respect should be addressed to Matthew Hayman, as above.

12.4 Copies of the Order, Order Map and this Statement of Reasons can be inspected during normal office hours at the Council's offices at:

Sheffield City Council
Town Hall Reception
Pinstone Street
Sheffield
S1 2HH

Sheffield City Council
First Point
Howden House
1 Union Street
Sheffield
S1 2SH

The documents can also be viewed on the Council's website: www.Sheffield.gov.uk

13. LIST OF DOCUMENTS, MAPS OR PLANS FOR THE PUBLIC INQUIRY

13.1 In the event of a Public Inquiry, the Council would intend to refer to or put in evidence the following documents:

1. Town and Country Planning Act (TCPA) 1990

2. Planning and Compulsory Purchase Act (2004)
3. National Planning Policy Framework
4. The Department for Communities and Local Government's Guidance on Compulsory Purchase Process and the Cichel Down Rules dated October 2015
5. West Bar Square City Context Plan
6. City Centre Masterplan 2008
7. City Centre Masterplan 2013 (Draft) - the Pre-Submission Local Plan
8. City Centre Plan 2018 (Draft)
9. City Centre Outputs Plan from the approved outline business case for Sheffield City Region Investment Funding (SCRIF)
10. IRR Urban Design Framework
11. Development Framework for the Regeneration of the Northern Stage of the Inner Relief Road Corridor and West Bar
12. Sheffield Central Riverside Strategy
13. West Bar Development Brief
14. West Bar Interim Planning Guidance
15. Relevant Council Cabinet Reports and Minutes
 - 15.1 23 October 2002
 - 15.2 12 May 2004
 - 15.3 21 September 2005
 - 15.4 12 July 2006
 - 15.5 24 August 2011
 - 15.6 [Leader Decision (novation to Urbo) 11 February 2015
<http://democracy.sheffield.gov.uk/ieDecisionDetails.aspx?Id=1298>]

16. Outline Planning Permission for the Castlemore Scheme and Unilateral Undertaking - Ref 07/03813/OUT
17. Castlemore Joint Administrators' proposals for achieving the purpose of the Administration dated 20 April 2009
18. Letter from Council dated 7 April 2005 regarding 81-85 West Bar (Moseley Arms)
19. West Bar Square Design and Access Statement
20. Report to Committee in support of the Outline Planning Permission for the Scheme
21. Outline Planning Permission for the Scheme - Ref 16/02518/OUT and all approved drawings, including parameter plans and Environmental Statement
22. The Sheffield Development Framework Core Strategy
23. Saved policies of the Sheffield Unitary Development Plan
24. Community Infrastructure Levy and Planning Obligations Supplementary Planning Document (SPD)
25. Climate Change and Design Supplementary Planning Document and Practice Guide
26. Letters from Crown body dated []
27. Draft Stopping Up Order Plan
- 13.2 The Council reserves the right to introduce such additional documents as may be relevant to any Public Inquiry in respect of the Order.