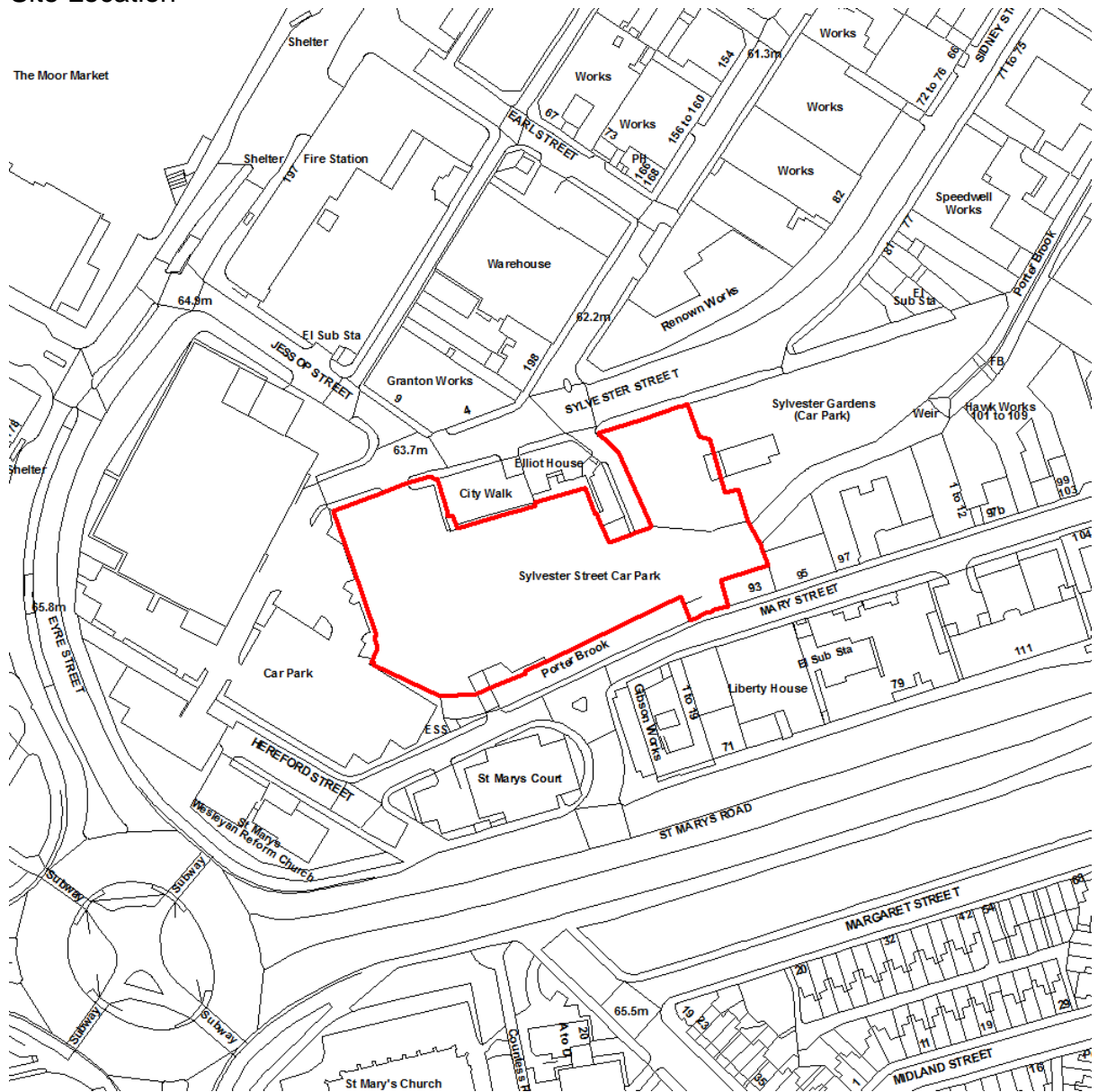

Case Number	18/01760/FUL (Formerly PP-06943096)
Application Type	Full Planning Application
Proposal	Erection of a 5 to 14 storey mixed use development comprising 335 residential units with ancillary communal facilities, ground floor commercial space (A1, A2, A3, A4, A5 and B1 uses), landscaping and car parking.
Location	Sylvester Street Sheffield S1 4RN
Date Received	04/05/2018
Team	City Centre and East
Applicant/Agent	DLP Planning Ltd
Recommendation	To Report

Site Location



© Crown copyright and database rights 2016 Ordnance Survey 10018816

LOCATION AND PROPOSAL

The application site lies between Sylvester Street to the north and Mary Street to the south, at the southern end of the Cultural Industries Quarter (CIQ) Conservation Area. It is currently in use as a surface level car park accessed via an existing access road from Sylvester Street.

The western half of the site is screened from Sylvester Street by the grade II listed Sylvester Works and a 5 and 6 storey residential building known as City Walk. To the west the site adjoins the car park to Decathlon while the Porter Brook runs to the immediate south of the application site, adjacent Mary Street. To the east the site adjoins land with an extant consent for a mixed use development comprising of a 4, 5 and 6 storey building providing 102 apartments, office accommodation, a cafe/bar and landscaping, including the continuation of a riverside walk along the Porter Brook (06/01918/FUL). It is understood that the new owner of this site intends to build the extant scheme, which was recently granted planning permission for a number of minor material amendments under Section 73 of the Planning Act (17/00604/FUL).

Planning permission was previously granted on the western two thirds of the application site (the land to the west of the car park access road which, until 2008, was occupied by a 2 storey furniture warehouse unit known as Klaussners) for the erection of 137 apartments, 3,191 square metres of commercial space and a café in a building extending up to five and a half storeys (with a double height ground floor), plus car parking and landscaping, including a new public space and riverside walk (07/02595/FUL). This consent is understood to be extant.

Following the sale of the site in 2017, planning permission is now sought for the erection of a 5 to 14 storey Build to Rent development comprising 335 apartments with ancillary communal facilities, ground floor commercial space (A1, A2, A3, A4, A5 and B1 uses), landscaping and car parking.

The scheme comprises of three blocks, A to C. Block A, at the western end of the site, and block B, to the south, are linked to form a large L shaped block which ranges between 7 and 14 storeys in height – a bulky 14 storey tower in the south west corner of the site with 7 storey wings projecting north and east. To the north of block B is a courtyard separating the development from the rear of City Walk and the grade II listed Sylvester Works. The courtyard houses 10 parking spaces (including 4 accessible parking spaces) and cycle storage for 140 bikes.

Block C, at the eastern end of the site, is a 6 storey rectangular block perpendicular to Sylvester Street. The sixth floor is set back almost 7.5 metres from Sylvester Street to form a 5 storey street frontage.

A new public pedestrian route is formed to the south of all three blocks, adjacent to the Porter Brook. It is intended that this walkway will link to neighbouring developments, eventually creating a lengthy riverside walk.

Two further pedestrian routes will allow access between Sylvester Street and Mary Street.

RELEVANT PLANNING HISTORY

- 16/01691/FUL An application under Section 73 of the Planning Act to allow the continued use of the land as a car park for a further 3 years until August 2019 was approved in June 2016 (Application under Section 73 to vary/remove Condition No. 1 (time limit) as imposed by planning permission 13/01633/FUL).
- 13/01633/FUL An application to extend the previously approved car park (below) to the east, to include the site of the former Bernard Works, was approved in August 2013.
- 11/03965/CHU An application for the use of the Klaussners site as a short stay car park was approved in February 2012.
- 07/02595/FUL Planning permission was granted in December 2012 for the redevelopment of the Klaussners site to provide 137 apartments, 3191 sq.metres of commercial space (to include business starter units), a 298 sq.metre A3 Café, and the provision of associated car parking and landscaping including a new public space and riverside walk.
- 07/02617/CAC Conservation area consent was granted for the demolition of the existing building (a former furniture warehouse) in August 2007.

SUMMARY OF REPRESENTATIONS

This application was advertised by way of press and site notice and by neighbour notification.

6 representations were received including 5 letters of support and 1 objection.

Representations from supporters of the scheme were received from 2 neighbours as well as the Secretary of Sheffield City Centre Residents Action Group (SCCRAG), the Executive Director of the Sheffield Chamber of Commerce and the Chair of the Chamber of Commerce's Sheffield Property and Regeneration Committee. The comments made by supporters include:

- The development would bring a site back into active use that has laid derelict for a significant number of years, enlivening the area and stimulating new business.
- Much of the development in the area has been student accommodation. This proposal would see a permanent residential community created which would establish this side of the city centre as a location for further residential development, helping the city maximise the benefits of HS2 and Northern Powerhouse Rail and sustain the Moor Market.

- The proposals would create further business units aimed at the expanding cultural and digital industries in the city.
- The ongoing management of the accommodation would avoid many of the issues with apartment blocks seen elsewhere.
- Proposals to upgrade the Porter Brook and make it publicly accessible builds on similar work done near the UTC on Matilda Street, would boost the area and potentially help to stimulate the demand to bring other buildings of character back into use.
- Sheffield currently lacks the level of high quality accommodation aimed at the private renter, including graduates and young professionals, leaving us at a disadvantage to other major cities.
- This development would secure another major investment in the city, which is fundamental to us growing our economy and delivering good jobs in the future.
- The proposals make better use of the land.

However the lack of parking was raised as a major concern. SCCRAG consider parking is needed to encourage people to move into this type of residence.

The objector to the scheme is a resident of City Walk. Their concerns include:

- The City Centre is already severely cluttered with a lot of flats in similar buildings.
- Why do you need to cram such a big development on such a small piece of land?
- Block B is too close to City Walk and will block light.
- Block B should be removed to allow for more parking.
- The new development will exacerbate the problems relating to the of lack of parking.
- The proposed bin store is too close to City Walk and will harm the amenities of existing residents.

Historic England

In their consultation response, Historic England note that the application site sits at the edge of the CIQ Conservation Area and across two character areas – the Peripheral Area and the Mary Street Area – and that a Grade II listed building, Sylvester Works, is located outside the application site on the corner of Sylvester Street. They state that any development on the site should respect each character area but acknowledge that development towards the western part of the site would address a slightly different and less historic context.

As, historically, the area would have been densely developed and large areas of open space such as the existing surface car park are uncharacteristic of the area, Historic England welcome development on the site in principle but warn that not all development will have a positive impact. They advise that development needs to take account of the character of the area of back of pavement development, low-medium height, irregular and tightly packed footprints getting looser with more open yards towards the west of the conservation area.

Historic England note that there is considerable development either ongoing or recently completed within the CIQ Conservation Area which varies in style – some are completely new-build whilst others incorporate historic buildings, or elements of historic buildings – but that most conform to a maximum building height of around 6-7 storeys. Historic England consider this is important in respecting the historic character of the area and the scale of the remaining historic metal trades buildings, whether listed or unlisted.

Historic England were engaged in some pre-application discussion, advising that they would not support initial proposals due to the harmful impact of the scale and massing on the conservation area and setting of the listed building.

Revisions were made which form the scheme currently under consideration. Historic England advise that whilst the revisions have addressed some aspects of their concerns – reducing the height of the blocks to the eastern end of the site which has reduced the overall massing in some views – and they consider the principle of the height stepping up towards the west to be acceptable, they consider the proposals as submitted to cause harm to the character and appearance of the conservation area and, to a lesser extent, the setting and significance of the Grade II listed Sylvester Works. This, they say, is as a result of the discordant scale of the larger blocks which will be experienced dynamically in numerous views as one moves around the conservation area.

Historic England consider the harm caused to be less than substantial in the language of the NPPF, but note that paragraph 132 of the framework requires any harm to designated heritage assets to have a ‘clear and convincing justification’ and that ‘great weight’ should be given to the conservation of heritage assets, meaning there is a requirement to assess the necessity of the harm, given the statutory protection afforded to conservation areas and listed buildings. This includes demonstrating that it would not be possible to deliver the benefits of the proposal in a less harmful manner.

Historic England advise that, in determining this application, the local planning authority should be satisfied that it is not possible to reduce the harm caused to the character and appearance of the conservation area and the setting and significance of the listed building and that, where we are satisfied this is the case, weigh that harm against the public benefits of the scheme as required by paragraph 134 of the NPPF, whilst also having special regard to preserving the character and appearance of the conservation area and setting of the listed building as required by sections 66 and 72 of the Planning (Listed Buildings and Conservation Areas) Act 1990.

In addition Historic England wished to note that they do not agree with the suggestions of the applicant’s Planning and Built Heritage Statements that a public benefit of the scheme would be “the improvement of the setting of the Grade II listed Sylvester Works and the positive contribution to the CIQ Conservation Area through the provision of a high quality, well managed Build to Rent scheme”. Whilst they consider the principle of redevelopment of the site has the potential for enhancement, they have concluded that the current proposals would cause harm

to both designated heritage assets and thus, the development cannot be considered a positive, public benefit in this regard.

Conservation Advisory Group

The Conservation Advisory Group considered the proposals at their meeting on 19 June 2018. They felt that the development did not conform with the character of the Conservation Area, or with the recommended height limits of the Urban Design Compendium, and considered that the development was too high even in the lowest parts.

The Group felt that this development would weaken the constraints imposed by the conservation area and that the character of the conservation area would be lost. The argument that the site was in a peripheral zone of the conservation area did not, in the Group's view, lessen the requirement that new development should be bound by the area's character and form, or the limitations imposed in the Urban Design Compendium.

The Group welcomed the proposal to open up the river.

PLANNING ASSESSMENT

Principle of Development – Policy and Land Use

The revised National Planning Policy Framework (NPPF), published on 24 July this year, reinforces the general presumption in favour of sustainable development as well as the Government's objective to significantly boost the supply of housing. From November this year, the presumption in favour of development will apply where the local planning authority cannot identify a 5-year supply of deliverable housing sites (with an appropriate buffer), or where the delivery of housing over the last 3 years has been below 75% of the housing requirement. Sheffield's housing delivery passes the second test but as we are currently unable to demonstrate a 5 year supply of housing, this weighs in favour of the development of this site for residential purposes.

The statutory development plan for Sheffield currently comprises of the Core Strategy (March 2009) and saved policies from the Unitary Development Plan (1998).

The site lies in a Fringe Industry and Business Area as defined in the Unitary Development Plan (UDP). Policy IB6 of the UDP (Development in Fringe Industry and Business Areas) relates to development in such areas and advises that business (B1), general industry (B2) and warehouse uses (B8) are the preferred uses of land but that housing is also considered to be acceptable in principle.

Policy IB9 of the UDP (Conditions on Development in Industry and Business Areas) expects the preferred uses of land to remain dominant. However, general industry and warehouse uses are no longer preferred in this location, the UDP having been superseded by the more up to date Core Strategy.

Policy CS6 (f) of the Core Strategy (Manufacturing and the City Centre – Transition Areas) identifies the area as one where manufacturing should be encouraged to relocate, while policy CS17 (c) (City Centre Quarters) describes the area as having a wide mix of uses and the main location for the city’s creative and digital industries, one of the key growth clusters for the economy of the City Region.

A little over 690 square metres of non-residential space is proposed at ground floor level comprising of commercial co-working and flexible use space (A1, A2, A3, A4, A5 and B1 uses). This level of commercial space is not significant given the size of the development, however it does go some way to supporting the promotion of business uses in the area. In addition, there are currently sufficient non-residential uses in the area to prevent residential uses from becoming dominant, even if the current proposals are approved. On balance, therefore, the proposals are therefore considered to be acceptable in terms of local plan business and industrial policies.

Other Policy Considerations

The proposed residential units comprise of Build to Rent accommodation, which the submitted Planning Statement describes as ‘focused on the provision of high quality ancillary amenity provision alongside residential accommodation. Within the proposed development these facilities include a gym, common room, cinema room, communal dining facilities, public and private amenity space (including roof garden) and bike maintenance store area.’

It is acknowledged that there are few Build to Rent schemes in Sheffield however, in planning terms, no distinction is made between Build to Rent and other C3 housing uses – except in relation to affordable housing (discussed later in the report).

Core Strategy policy CS41 (a) (Creating Mixed Communities) aims to promote the creation of mixed communities by providing for a broad range of smaller households in the City Centre. It advises that no more than half the new homes in larger developments should consist of a single house type. The proposed mix of accommodation across the three blocks comprises of 44 studios (13%), 191 one bed apartments (57%), 85 two bed apartments (25%) and 15 three bed apartments (5%). Although the number of one bedroom apartments exceeds 50%, the overall mix is considered to be acceptable in this instance given that the nature of the proposed Build to Rent accommodation is likely to be attractive to young professionals in particular.

In addition, the revised NPPF continues to expect local planning authorities to apply a sequential test to main town centre uses not in an existing centre, stating that ‘main town centre uses should be located in town centres, then in edge of centre locations; and only if suitable sites are not available... should out of centre sites be considered.’

The application site lies approximately 85 metres east of the Central Shopping Area (CSA). Any A1 retail units are likely to be small in scale and designed to

serve the requirements of existing and proposed local residents – a role that vacant units in the CSA would not fulfil. It is therefore considered unlikely that a small A1 unit in this location would have an adverse effect on the vitality and viability of the city centre, and as such is considered to be acceptable in principle. However, a condition is proposed limiting the sales area within the approved flexible use commercial to no more than 280 square metres where a Class A1 use is implemented.

Design and Heritage Issues

As previously described, the proposed development comprises of three blocks, A to C. Blocks A and B, located adjacent the eastern and southern site boundaries, are linked to form a large L shaped block with 7 storey wings and a 14 storey tower in the south west corner of the site. To the north of block B is a courtyard separating the development from the rear of City Walk and the grade II listed Sylvester Works, which both front Sylvester Street. Block C, at the eastern end of the site, is a largely 6 storey rectangular block perpendicular to Sylvester Street. The development sits entirely within the Cultural Industries Quarter (CIQ) Conservation Area, which was designated in January 2001 as part of a programme to conserve the best areas of the distinctive townscape associated with Sheffield's metal trades.

Policy Context

In relation to design, the NPPF asserts that the creation of high quality buildings and places is fundamental to achieving sustainable development and creates better places in which to live and work (para. 124).

Policy BE5 of the UDP (Building Design and Siting) advises that good design and the use of good quality materials will be expected in all new developments, while policy CS74 of the Core Strategy (Design Principles) advises that high-quality development is expected which would respect, take advantage of and enhance the distinctive features of the city, its districts and neighbourhoods.

Chapter 16 of the NPPF (Conserving and enhancing the historic environment) sets out the Government's policies relating to the historic environment. Paragraph 193 states that 'when considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation ... irrespective of whether any potential harm amounts to substantial harm, total loss or less than substantial harm to its significance.' It goes on to say that any harm to the significance of a heritage asset requires 'clear and convincing justification' and that, 'where a development proposal will lead to less than substantial harm to the significance of a designated heritage asset, this harm should be weighed against the public benefits of the proposal' (para. 196).

Paragraph 200 also advises local planning authorities to look for opportunities 'to enhance or better reveal' the significance of Conservation Areas when dealing with applications for development within their boundaries, treating favourably those proposals that 'preserve those elements of the setting that make a positive contribution to the asset (or which better reveal its significance).'

In considering whether to grant planning permission for development which affects a listed building or its setting, section 66 of the Planning (Listed Building & Conservation Areas) Act 1990 states that the local planning authority shall have 'special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses.'

Similarly, section 72 of the Act describes the general duty with respect to conservation areas and states that 'special attention shall be paid to the desirability of preserving or enhancing the character or appearance of the area.'

UDP policy BE15 (Areas and Buildings of Special Architectural or Historic Interest) expects buildings and areas of special architectural or historic interest, which are an important part of Sheffield's heritage, to be preserved or enhanced and advises that development which is considered to harm the character or appearance of listed buildings or conservation areas will not be permitted.

Policy BE16 of the UDP (Development in Conservation Areas) states that permission will only be given to schemes which preserve or enhance the character or appearance of the Conservation Area while Policy BE19 (Development Affecting Listed Buildings) requires developments which affect the setting of a listed building to preserve the character and appearance of the building and its setting.

The CIQ Conservation Area Appraisal seeks to define the special character of the area. It includes, as required by the Planning Act 1990, proposals for the preservation and enhancement of the conservation area or Area Guidelines. Together, the Appraisal and Area Guidelines form Supplementary Planning Guidance (SPG) to support the UDP and are a material consideration when determining planning applications.

The Appraisal covers the whole of the CIQ Conservation Area and has been subdivided into character areas. The application site lies across two character areas – the Mary Street Area and the Peripheral Area.

The street pattern in the Mary Street Area deviates from the original CIQ grid layout, responding to the natural boundary of the Porter Brook. There is variety in building massing, ranging between 1 and 5 storeys, and street frontages are predominately to the back of pavement.

Sylvester Works is the one listed building in the Mary Street Area. It is a 3 storey brick building circa 1875, with a gabled and hipped slate roof, which was originally built as a cutlery works and is now converted to flats. Other buildings of historic interest in this area are located on the northern side of Mary Street, particularly towards its western end adjacent the application site.

The CIQ's peripheral areas represent the outward face and gateway into the Conservation Area. While the character of the built form in these areas is mixed, they all have strong links, in terms of the street pattern, to the core area.

The Appraisal notes that the public face presented onto the St Mary's Road roundabout retains few clues of the heritage of the area, as it currently comprises of a late twentieth century retail warehouse, office building and car parks. However Hereford Street, close to the roundabout, is the southernmost remnant from the original grid iron plan laid out in the early 1800s.

The Area Guidelines expect new development in the CIQ to respond to the historic urban form of the area, respecting the original grid pattern and plot sizes. New buildings should be built to the back of the pavement and of a scale and form that respects existing development. It advises that important views into and out of the Conservation Area should be retained.

Along Mary Street where, with the exception of modern infill, the buildings are structurally little altered, the guidelines suggest that the emphasis should be on retaining and restoring the window patterns and other architectural details.

Much recent development in the peripheral areas has been inappropriate, in terms of scale and the quality of the design and materials. The main aim of the Guidelines in these areas is to secure a higher quality of development with buildings that define and enclose but do not overshadow the street.

Scale and Massing

The key issue in this instance is the quantum of development that that the applicant is seeking to achieve. Given the size of the site, the level of accommodation desired can only be accommodated within an envelope that is considerably greater than the prevailing scale and massing of buildings within the CIQ.

With the exception of a number of properties facing onto the Arundel Gate/Eyre Lane corridor, the majority of buildings within the CIQ are 2 to 4 storeys in height. The buildings proposed range between 5 and 14 storeys.

UDP policies BE15 and BE16 expect the character and appearance of the conservation area to be preserved or enhanced – a position upheld by section 72 of the Act – and scale is a fundamental component of townscape character. However, this development will appear markedly different to its neighbours and tower above the townscape in street views. Furthermore, it is considered that the size of the blocks will have an impact on the relatively narrow spaces and streets they enclose.

In a bid to enhance the legibility of the townscape and to improve vitality and viability, increases in scale above the relatively modest prevailing heights have been supported around the edge of the conservation area, where larger buildings relate better to the greater scale of streets such as Eyre Lane or the Inner Ring Road. Similarly larger buildings have been developed where they visibly mark a significant point within the townscape, such as the intersection of higher order streets or the course of the Porter Brook. But the scale currently proposed exceeds that previously supported for a site within the main body of the conservation area.

As part of the pre-application process, the proposals were significantly amended to redistribute the accommodation across the site, reducing the bulk in the east, where the historic townscape remains more intact, and moving it over to the west, which is currently dominated by surface car parking. The consequence is a 14 storey tower which will appear extensively in views within the CIQ and beyond. The rationale for this includes minimising the impact of the development on the historic townscape by positioning the tower where it will, in time, be associated more with the Decathlon site and the ring road, where a cluster of larger buildings has been supported. Furthermore, the tower marks a potentially new area of publicly accessible open space formed at a bend in the course of the Porter Brook (though part of this open space lies on the adjoining Decathlon site and is not subject to any applications or approvals).

Despite the redistribution of accommodation and articulation of blocks to break down their mass, concerns remain that the main body of the development is bulky and will appear overly large in comparison with its neighbours. The properties on the south side of Mary Street are 3 to 4 storeys high and will face onto the consistent 7 storeys of block B. In mitigation the building line is pulled back from the edge of the Porter Brook to create a south-facing public space and reduce the impact of the scale. However the eastern end of block B and block C (at 6 storeys), in particular, have a much closer relationship with the existing 3 storey buildings and are likely to dominate their surroundings.

At 7 storeys, the height of the northern end of block A, which lies adjacent the 6 storeys of City Walk, is considered to be a reasonable response to Sylvester Street. However, the applicant's claim that the development would improve the setting of the grade II listed Sylvester Works is disputed. Overall, given block A is separated from the 3 storey listed building by City Walk, it is considered that the impact of the development on the listed building is at best neutral.

Layout and arrangement

The proposed development adopts a perimeter block arrangement, which is considered to be appropriate in the CIQ where buildings are set to the back edge of the footpath, concealing yards and secondary structures to the rear. A more modulated approach is taken to the south-facing elevation of block B as the Brook would traditionally have been enclosed by a relatively informal arrangement of the backs of properties. This articulation helps to maximise the level of accommodation and break down what would otherwise be a continuous 7-storey wall of building.

Materials and detailing

The quality of the architecture proposed is very positive. Generous floor to ceiling windows provide a contemporary appearance to the elevations and permit high levels of natural light into the units. The regular repetition of the window forms reflects that of the traditional metal trade ranges and windows are arranged to produce a clear hierarchy in the elevations, with ground floor public areas expressed with more pronounced openings.

The proposed use of brickwork with limited metal and brick detailing is also welcome and reflective of the surrounding context. Deep reveals will express the robustness of masonry and the selection of a subtle gradation of different brick types, if successfully implemented, should provide sufficient variation to help visually break down the massing of the lower blocks without appearing overly contrived. The selection of brick and specification of mortar would, therefore, be critical.

The architectural approach is of a high quality, the materials appropriate, interesting public spaces are created, back-of-house activities are to be concealed within the body of the perimeter block and the frontage to Sylvester Street reinforced. The key issue is scale, a direct consequence of the quantum of development which the applicant is attempting to accommodate on the site.

The scale of what is proposed is far greater than anything within the surrounding area and, in this sense, is considered to be a poor contextual response. Amendments made throughout the pre-application process have greatly improved the arrangement and massing, and established a strong, clear logic to the layout. However, the quantity sought demands significant bulk, both in terms of the 14 storey height of the tower and in the scale of the lower blocks which are considered to result in some uncomfortable relationships.

The proposed scale, within a context of relatively modest buildings and tight streets, is such that even if this were not a conservation area, it would prove extremely challenging. In reality the CIQ has been designated as a conservation area by the local planning authority and the impact of the proposal on its character and appearance has to be assessed accordingly.

Historic England concluded that the proposals will harm the character and appearance of the conservation area, though the harm caused is less than substantial harm in the terminology of the NPPF.

Despite its many positives, and the fact that the existing car park is a negative element within the conservation area, it is considered that the proposed development does not comply with the aims of UDP policies BE15 and BE16 to preserve or enhance the character or appearance of the Conservation Area, nor the aims of the CIQ Conservation Area Guidelines to respect the scale and form of existing development. Therefore Officers concur with the view that the development will cause harm to the character and appearance, and thereby the significance of the CIQ Conservation Area. This harm could be argued to be less than substantial taking into account the site's position within the conservation area.

Where development leads to less than substantial harm, the NPPF states that 'this harm should be weighed against the public benefits of the proposal.'

In their Planning and Built Heritage Statements the applicant asserts that the scale of the proposed development is necessary to deliver the extensive public benefits provided by the scheme. They say that the public benefits include significant and demonstrable enhancements to the setting of Sylvester Works and the positive

impact of the development on the character and appearance of the Conservation Area. However, they also conclude that ‘the increased massing of the proposed scheme as part of the existing streetscene within this part of the Conservation Area will cause less than substantial harm to its significance.’

The local planning authority does not agree that the public benefits of the scheme include enhancements to the setting of Sylvester Works and neither do Historic England. At best the impact is neutral.

It should be noted that there are, of course, other benefits of the scheme, including economic benefits (through job creation) and a contribution to the residential offer of the city centre. However, it has to be decided whether these benefits are so substantial as to outweigh the harm caused.

Sustainability

The National Planning Policy Framework 2018 states that the purpose of the planning system is to contribute to the achievement of sustainable development by applying three overarching interdependent objectives: an economic objective; a social objective; and an environmental objective.

The application site is currently used as a car park and generates an income. However its redevelopment will deliver economic regeneration by creating jobs as part of the construction works, the on-going management of the facility and through future commercial uses, some of which may support the areas creative and digital industry focus.

The applicant has confirmed that they are willing to support local employment initiatives as part of the development and a planning condition can secure an employment and training strategy.

In terms of social objectives, the proposed development will help to meet the city’s housing needs and to establish a mixed residential community in the CIQ by offering high quality homes for rent. As the site is conveniently located close to a wide range of services and facilities, development in this location will also ensure that residents’ social and community needs are well catered for.

The proposed development will contribute to some of the environmental objectives of the NPPF by making more effective use of the land and enhancing the natural environment by making improvements to the Porter Brook and its setting. It should also contribute towards moving to a low carbon economy. However, there are concerns, as previously discussed, that the scheme does not sufficiently protect or enhance the historic environment in which it is set and indeed is considered to have a less than substantial harmful impact on heritage assets.

Policy CS63 of the Core Strategy (Responses to Climate Change) gives priority to developments that are well served by sustainable forms of transport, that increase energy efficiency, reduce energy consumption and carbon emissions, and that generate renewable energy.

Similarly policy CS64 (Climate Change, Resources and Sustainable Design of Developments) requires all new buildings and conversions of existing buildings to be energy efficient and to use resources sustainably, while policy CS65 (Renewable Energy and Carbon Reduction) seeks to secure the generation of energy from renewable sources, with 10% of predicted energy needs provided from decentralised and renewable or low carbon energy.

The proposed development is located within easy walking distance of the Central Shopping Area and close to a range of public transport options. Built to modern standards it will be energy efficient, and in order to comply with the requirement for 10% of predicted energy needs to be provided from decentralised and renewable or low carbon energy, roof mounted photovoltaic (PV) panels are proposed on each block.

A green roof is proposed on the cycle store, located within the courtyard to the rear of block B. Green roofs are encouraged by Core Strategy Policy CS64 as they can help to attenuate surface water run-off and improve biodiversity. While the green roof is small in comparison the scale of the overall development, its inclusion is welcomed. Further biodiversity improvements are expected as part of the works to naturalise the Porter Brook.

A condition is proposed to secure the proposed decentralised and renewable or low carbon energy and, generally, many aspects of the proposed development will contribute towards achieving a sustainable development if this application is approved. However, the failure of the scheme to sufficiently protect and enhance the historic environment remains a concern.

Residential Amenity Considerations

Policy IB9 of the UDP (Conditions on Development in Industry and Business Areas) states that new development and changes of use will be permitted provided that they do not cause residents to suffer from unacceptable living conditions.

The courtyard to the north of block B separates the development from the rear of City Walk and the grade II listed Sylvester Works, both of which front Sylvester Street and are in residential use. The courtyard is a little under 17 metres wide, a separation distance which falls short of the standard 21 metre privacy distance but which is not unusual in urban settings such as this where residents do not expect the same levels of privacy.

Similarly restricted relationships are created across the existing access road from Sylvester Street where block C sits a minimum of 9 metres from habitable room windows in the east facing elevation of Sylvester Works and, to the east, where block C sits approximately 8.5 metres from a small number of west facing windows on the adjacent development (not yet constructed). However, these instances affect a relatively small number of properties, in some cases the properties are separated by highway and, as previously described, reduced levels of privacy are not unusual in urban areas, particularly where it is desirable in character terms to bring development up to the back edge of the footway. In privacy terms, therefore, the proposals are generally considered to be acceptable.

That said, the proposals introduce 7 storeys (including a generous ground floor) 17 metres to the south of existing habitable room windows in City Walk and, to a lesser extent, Sylvester Works. While existing residents do not have a right to a view across the adjoining land, they will experience some loss of light given that blocks B and C (which reaches 14 storeys in height) are orientated to the south and west of the existing buildings. Again, in urban setting, this is not uncommon and the loss of light may not be significant, however the impact of the development on the amenities of neighbouring residents should be acknowledged.

The submitted acoustic report indicates that the dominant noise source in the vicinity of the application site is traffic on Sylvester Street, St. Mary's Road and in the neighbouring Decathlon car park. However, the report concludes that an acceptable living environment can be provided for future residents subject to the installation of a scheme of sound attenuation, details of which are reserved by condition.

Similarly, the proposed range of commercial units is unlikely to have a harmful impact on the amenities of existing and proposed residents subject to appropriate hours of use and controls on the playing of live music and amplified sound.

Noise modelling predictions have shown that the roof terrace located at the seventh floor of Block A would be exposed to daytime and night-time noise levels which are marginally above the external noise levels recommended by the World Health Organisation. The borderline breach is not unexpected, given the site's urban setting and proximity to the ring road, and is not necessarily a significant concern. However, the acoustic report makes reference to a more detailed assessment of external noise levels in outdoor spaces being undertaken during the detailed design phase.

Landscape and Relationship to the Porter Brook

The proposed development is set back from the Porter Brook to form a riverside walk which, it is expected, will be constructed to adoptable standards and will link with adjoining developments to provide a new pedestrian route, for residents, workers and visitors, the length of the CIQ in accordance with the aims of Core Strategy Policy CS48 (Open Space and Riversides in the City Centre).

Semi-private and public spaces, including an urban garden and river viewing platform, will be provided along the walk. The applicant has also agreed to undertake naturalisation works to the Porter Brook, which will contribute to reducing flood risk as well as enhance bio-diversity and the natural environment.

In addition to the river walk, two north south pedestrian routes are proposed, one between blocks A and B and one between blocks B and C. It is expected that all public routes will be finished in good quality materials and all will be fully accessible.

The riverside walk and associated public amenity spaces addressing the Porter Brook are considered to be positive aspects of this scheme while works to

naturalise the river channel would enhance the amenity value of these space, as well as the ecological value of the river corridor. Detailed hard and soft landscaping will be reserved by condition.

Highways

Policy IB9 of the UDP (Conditions on Development in Industry and Business Areas) expects new development to be adequately served by transport facilities, provide safe access to the highway network and appropriate levels of off-street car parking, while the City Council's Car Parking Guidelines, which are to be interpreted as maximum standards, states that in the city centre up to one space per dwelling is appropriate.

The Guidelines also note that the provision of car parking is important to many developments for operational and commercial reasons, but that the over provision of car parking can be wasteful of expensive land, encourage unnecessary car use and does not always look attractive.

The proposed development incorporates a courtyard with 10 parking spaces (including 4 accessible parking spaces) as well as cycle storage for 140 bikes. The courtyard is accessed from Sylvester Street and is sufficiently large to allow servicing – the submitted drawings show that a refuse vehicle can reverse into the site to enable bin collections to be undertaken off the public highway and that fire tenders will be able to enter and exit the site in a forward gear.

The very low level of parking provision, which is for operational purposes only, means that the development will remain car free and the applicant will be required by condition to ensure that future occupiers are aware that they will not be eligible for resident parking permits within the designated Permit Parking Zone. However, as on street parking adjacent the site is controlled by parking restrictions and pay and display parking spaces, it is considered very unlikely that any demand for parking space by residents will be displaced onto the local highway network.

Occupants of the proposed development would be within easy walking distance of a range of facilities and public transport options and pedestrian connections will be improved with the incorporation of a further section of riverside walk along the Porter Brook.

The site is currently occupied by a pay and display car park with over 200 spaces and so, while the development will generate trips such as taxis, home deliveries, servicing and refuse collections, vehicle movements to and around the site will be significantly reduced. The impact of the development on the local highway network will be negligible

No alterations are proposed to the layout of the adjoining highway, however the resurfacing of all adjoining footways will be reserved by condition. There is an unused section of adopted highway (a stub of Sylvester Street heading southwards into the site) which will require Stopping Up under Section 247 of the Town and Country Planning Act.

Flood Risk and Drainage

The Porter Brook runs along the southern boundary of the application site, which lies in flood zone 2 and has between a 1 in 100 and 1 in 1000 annual probability of flooding (i.e. Medium Probability).

In accordance with current National Planning Practice Guidance, residential uses are defined as 'more vulnerable' uses, which are acceptable in flood zone 2 subject to a robust Flood Risk Assessment (FRA) and the passing of the sequential test.

The aim of the sequential test is to steer development towards areas with the lowest probability of flooding, in this case flood zone 1. However, it is clear that there are no sites that are large enough and available to accommodate the proposal within the search area i.e within the Cultural Industries Quarter (CIQ). Furthermore, the FRA confirms that the site has not been affected by flooding during the main flood incidents recorded in 1973, 1991 and 2007. The proposals are therefore considered to pass the sequential test.

The Environment Agency (EA) welcomed the applicant's proposals to enhance the Porter Brook by providing landscaped amenity areas and a riverside walkway as part of this development, though they queried whether there was an opportunity to enhance this even further and to comply with the Council's aspirations to de-culvert the Porter Brook. The applicant has since confirmed that further de-culverting is not possible due to structural reasons.

Land Contamination

The application site has been the subject of past industrial activity which poses a medium risk of pollution to controlled waters and human health, in this instance that risk comes in the form of free product (oil) floating on ground water.

The outline remediation strategy provides some detail in respect of possible remedial measures but makes clear that further details will be provided in a detailed strategy, to be reserved by condition. The Environmental Protection Service is satisfied that, subject to agreed remedial measures, the risks to controlled waters and human health can be adequately mitigated.

Archaeology

The application site has already been evaluated by trial trenching (11 trial pits were excavated in December 2017) and more recently the applicant commissioned archaeological consultants to monitor a phase of geotechnical investigations. This work has confirmed that archaeological evidence from the industrial development of this site – throughout the early 19th century the site was occupied by a grinding workshop (Ward's Wheel), coal yard, saw mills, surgical instrument makers and cutlery workshops – is preserved on the western part of the site and so will need to be considered in relation to the impact of any permitted scheme. The eastern part of the site has poor archaeological preservation of archaeological evidence and further work is not recommended here.

The South Yorkshire Archaeological Service agree with these recommendations and so a condition is proposed to secure further investigation and formal recording of below-ground archaeology ahead of any redevelopment works.

Affordable Housing

Core Strategy policy CS27 (f) (Housing in the City Centre) supports further expansion of City Centre living, with a mix of tenures and sizes of unit, including affordable housing, as part of a mix of uses in the CIQ.

Policy CS40 sets out the Council's specific policy approach to the provision of affordable housing, together with the Supplementary Planning Document on CIL and Planning Obligations. The application site falls in an area of the city centre where there is a requirement to provide up to 10% of the units as affordable housing, subject to a viability assessment.

The applicant's original viability appraisal suggested that they did not consider any affordable housing to be viable, though the Council's independent viability consultant concluded at that time that the scheme was able to provide the full affordable housing payment of circa £2,900,000 (May 2018).

These opposing views were based on many factors, including differences of opinion on:

- The Benchmark Land Value (BLV)

The applicant applied the price paid for the land as the BLV however the correct approach (as determined by case law) is to apply the Existing Use Value Plus (EUV Plus) valuation method, which takes as its starting point the value of the property with its existing use, plus an uplift to reflect the need to incentivise a sale, i.e. the amount above existing use value (EUV) that goes to the landowner.

Use of the EUV Plus approach is also recommended in the revised National Planning Practice Guidance (July 2018). The NPPG emphasises that the premium or 'Plus' should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements.

- Marketing and letting costs
- Debit rates
- Profit allowance
- Purchasers costs
- Build costs

Purchaser's costs – which include the hypothetical agent's fees, sales fees and most significantly the stamp duty applied to selling on the development post construction – were excluded from the applicant's original appraisal.

The applicant subsequently argued that purchaser's costs should be factored into the assessment and, as this is the industry norm for commercial investments, this argument was accepted and the viability of the scheme was again assessed by the Council's consultant. Taking into account purchaser's costs, he recommended that an amended affordable housing contribution in the region of £375,000 could be made.

Discussions continued in relation to build costs, at which point the applicant requested that the consultant undertake a sensitivity analysis exercise.

Two scenarios were considered in this exercise: Scenario 1 applied a build cost of £148 per sq.ft (the median BCIS rate in July), while scenario 2 applied a build cost of £149 per sq.ft (the figure used in the applicant's own viability assessment, minus abnormals which are accounted for elsewhere in the calculations).

It is worth noting that the median BCIS rate fell again in August to circa £146 per sq ft, but at the time it was felt that this was likely to be a short term trend and so this lower figure was not included in the testing.

The sensitivity testing indicated that an affordable housing contribution in the range of £51,265 to £322,235 could be provided.

The applicant's initial response to the sensitivity testing was to confirm that they were not prepared to make any payment towards affordable housing. They then provided two detailed cost plans from potential local contractors by way of supporting evidence of their build costs. However the submitted cost plans were very basic, void of supporting evidence and comprised of quotes, not fixed prices. They also appeared to include some double-counting (of elements allowed for elsewhere in the appraisal). Shortly after, the applicant proposed an affordable housing contribution of £51,265, at the lowest end of the range that followed sensitivity testing and one which equates to a 0.18% contribution, some way short of the 10% policy requirement.

A number of issues need to be highlighted in determining whether this minimal contribution is acceptable, including the price paid for the land and the need for developers to consider local plan policy requirements when making such a purchase.

It should also be noted that, at the time of writing this report, the median BCIS rate has continued to fall and is now £145.40 per sq.ft.

More importantly, Build to Rent involves the construction of dwellings specifically for the rental market, a model of accommodation relatively new to Sheffield and one which generally provides its investors with a stable long term income stream and gives tenants high quality accommodation and reliable management.

That said, the benefits of build to rent – high quality accommodation, long term lets, a range of communal facilities and on-site management – can come at a premium, and the new private rental communities are often, on average, more expensive than rental properties nearby. The accommodation within this development is

therefore unlikely to be considered affordable (as described by national planning policy – ‘Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market’.)

The NPPF (which was revised in July this year) states that, where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, though it goes on to say that exemptions to the 10% requirement should be made where the proposed development provides solely for Build to Rent homes (para 64).

However, the National Planning Policy Guidance (NPPG), which was revised at the same time, confirms that the normal affordable housing provision for Build to Rent schemes should be the provision of units for affordable private rent. It also explains that developers will be expected to comply with Build to Rent policy requirements, and they may propose alternatives to policy such as variations to the discount and proportions of affordable private rent units across a development, and the ability to review the value of a scheme (rent levels) over the duration of its life.

The revised guidance suggests that, when local planning authorities are trying to determine what level of affordable private rental accommodation would be reasonable, the viability testing should include two sets of figures, one based on a Build to Rent and an alternative Build for Sale scheme. This would allow authorities to compare and understand the differences and agree any necessary adjustments to the affordable private rent contribution.

The fact that the revised NPPF and NPPG came into effect during this application, and while negotiations regarding the affordable housing contribution were underway, has complicated the process and, as this is a relatively new housing model, we do not have any specific Build to Rent policies. However, it is clear that while Build to Rent may be exempt from the requirement for at least 10% of the homes to be made available for affordable home ownership, they are not exempt from complying with policy or from making a contribution to affordable housing in the form of units for affordable private rent or, if it can be robustly justified, a financial contribution.

Without both versions of the viability assessment recommended by the up to date NPPG it is difficult to advise Members on the reasonableness of the contribution. However, as it stands, no homes with reduced rents are proposed as part of this development. Moreover, a £51,265 (0.18%) contribution towards affordable housing is considered to be a low offer, though it is within the range that resulted from sensitivity testing.

Any contribution will need to be secured through a legal agreement, but as this is unresolved, Officers will continue to work on the matter with the intention of updating Members in the form of a supplementary report prior to committee.

CIL

The site lies within an area of the city centre where CIL is charged at £30 per square metre.

SUMMARY AND RECOMMENDATION

Planning Permission is sought for the erection of a 5 to 14 storey Built to Rent scheme in the CIQ Conservation Area with 335 residential units, ancillary communal facilities, ground floor commercial space (A1, A2, A3, A4, A5 and B1 uses) and landscape improvements including the continuation of the riverside walk along the Porter Brook.

Housing is considered to be an acceptable use in land use terms and the small amount of commercial space proposed will support the promotion of business uses in the area. However, a key issue is the quantum of development that the applicant is seeking to achieve, which is considered to result in a scale of development considerably greater than the prevailing scale and massing of buildings within the CIQ.

Amendments made pre-application redistributed the accommodation across the site, resulting in the 14 storey tower in the south west corner of the site where it is likely, in the long run, to be associated with the cluster of larger buildings adjacent the ring road, and where it marks the location of an aspirational area of publicly accessible open space adjacent the Porter Brook, though this is space would lie mainly on the adjoining land.

Despite this, the scheme's suitable layout and the good quality of the architecture, concerns remain that the main body of the development is bulky and will appear overly large in comparison with neighbouring buildings along Mary Street and in longer views in and out of the conservation area. As a result, it is considered that the proposed development does not fully comply with the aims of UDP policies to preserve or enhance the character or appearance of the conservation area, nor the aims of the CIQ Conservation Area Guidelines to respect the scale and form of existing development, and that, as a consequence, the development will cause harm to the character and appearance, and thereby the significance of the CIQ Conservation Area. Given the site's position within the conservation area, this harm could be argued to be less than substantial. This view is upheld by Historic England.

Where development leads to less than substantial harm, the NPPF requires that harm to be weighed against the public benefits of the scheme.

The applicant asserts that the scale of the proposed development is necessary to deliver the extensive public benefits provided by the scheme, including enhancements to the setting of Sylvester Works and a positive impact on the character and appearance of the conservation area – though their own Heritage Statement concludes that 'the increased massing of the proposed scheme as part of the existing streetscene within this part of the Conservation Area will cause less than substantial harm to its significance.' And, neither the local planning authority nor Historic England agree that the proposals will enhance the setting of Sylvester Works.

In addition to the harm caused to the CIQ Conservation Area it should be noted that blocks B and C will cause limited harm to the amenities of some of the existing residents of City Walk and Sylvester Works and that the applicant's contribution of £51,265 (0.18%) towards affordable housing is considered to be on the low side.

It is clear that, in the context of recent amendments to the NPPF and NPPG, the applicant is exempt from providing 10% affordable home ownership, but that is because with Build to Rent, the idea is that the affordable housing contribution should be affordable units for rent. A one off financial contribution can be an alternative and there is no reason why it shouldn't be equivalent to the aforementioned 10%, subject to viability. The viability of the application has been independently assessed, though the separate Build for Sale and Build to Rent viability figures, which we do not have, may be key for us to take a view on the offer.

Conversely, the application site has remained vacant for 10 years now and it is accepted that the existing car park is not a positive feature of the conservation area. Indeed, the car park could be considered to cause significant harm to the character and appearance of the conservation area.

The proposed development will create jobs – both during construction and in the longer term – and it will help to meet the city's housing needs by offering high quality homes for rent in a convenient and easily accessible location.

Moreover, in many respects the design of the proposed development is very positive and the proposals will enhance pedestrian routes through the CIQ, as well as the natural environment, by making improvements to the Porter Brook and its setting.

However, given the lack of resolution in relation to affordable housing, Officers are unable to make a recommendation at present and it is anticipated that, as described above, the matter will be resolved to an extent that a recommendation can be made to Members in the form of a supplementary report prior to committee.

RECOMMENDATION

To report

This page is intentionally left blank