

BIRMINGHAM CITY COUNCIL

**BIRMINGHAM CITY COUNCIL (THE AXIS BUILDING, HOLLIDAY STREET,
CITY CENTRE) COMPULSORY PURCHASE ORDER 2018**

THE TOWN AND COUNTRY PLANNING ACT 1990

THE LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

AND

THE ACQUISITION OF LAND ACT 1981

STATEMENT OF CASE

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STATEMENT OF CASE

1. Introduction and Location

- 1.1 This Statement of Case relates to a compulsory purchase order entitled the Birmingham City Council (The Axis Building, Holliday Street, City Centre) Compulsory Purchase Order 2018 (“**the Order**”) made by Birmingham City Council (“**the Council**”) on 17th April 2018.
- 1.2 The Council is the local planning authority for the area in which the Order Land is situated.
- 1.3 The Council made the Order pursuant to Section 226 (1)(a) of the Town and Country Planning Act 1990 (“**the Act**”) and Section 13 of the Local Government (Miscellaneous Provisions) Act 1976. In this Statement of Case, the land and rights included in the Order are referred to as “**the Order Land**” and are shown on the plan appended to this Statement of Case (“**the Order Plan**”).
- 1.4 The Order was made having regard to the Guidance on Compulsory Purchase Process and The Crichel Down Rules for the Disposal of Surplus Land Acquired by, or under the Threat of, Compulsory Acquisition (October 2015) (as updated in February 2018) (“**the Guidance**”).
- 1.5 Three statutory objections have been received in respect of the Order and the Secretary of State for Housing, Communities and Local Government has directed that a public local inquiry be held for two days from 23rd October 2018 to determine whether the Order should be confirmed.
- 1.6 Details of the objections and the Council’s responses are found in the schedule at Appendix 2 to this document.
- 1.7 The Order Land at 10 Holliday Street, comprises a 1.6 Ha site in central Birmingham which currently comprises the 11-storey ‘T’ shaped Axis Building, 208 surface-level parking spaces and open areas. The Axis Building occupies the centre of the Order Land and occupies about a tenth of the Order Land. It is a T-shaped concrete framed structure with a façade system comprising pre-cast concrete panels with inset glazing. The building has approximately 17,750 sq m (GIA) of office accommodation. The building dominates views on the approach from New Street Station along Navigation Street.

- 1.8 The north of the Order Land is bounded by the A456 (Holliday Street). The Arena Central development, a mixed-use scheme comprising residential, office and retail uses, is under construction on the opposite (northern) side of the Holliday Street. The Arena Central development includes permission for two residential towers of 19 and 24 storeys, currently under construction. An existing 15-storey Crowne Plaza hotel sits west of this development, facing the Order Land. To the immediate west of the Crowne Plaza is an 18-storey Holiday Inn Express, which opened in April 2017.
- 1.9 To the south, the Order Land is bounded by the 9-storey Mailbox development. The Mailbox is a mixed-use development completed in 2000. It comprises a two-storey basement car park, premium retail on the lower floors, and office, hotel and residential uses on the upper floors.
- 1.10 To the west, the Order Land is bounded by a private road and the 20-storey Centenary Plaza, a residential and hotel-led development completed in 2002.
- 1.11 The elevated A38 Suffolk Street Queensway and slip-roads lie to the east of the Order Land, together with a footpath running parallel to the road. Royal Mail Street bounds the Order Land in the south-east corner. It connects the Order Land eastwards onto Navigation Street which leads to New Street Station via the A38 underpass. The connection through the A38 underpass and onto Navigation Street is useable by vehicles, pedestrians and cyclists, although the route has poor legibility and does not present an inviting pedestrian environment.

2. **Background to the Proposals**

- 2.1 The Axis Building was built in the 1970's, as office accommodation for British Rail on a former rail depot site. It now provides general office accommodation, close to the city core and New Street Station. However, it occupies approximately only a tenth of the Order Land; the majority of the land is either open land or surface car park. Additional development and place-making on the Order Land is difficult because of the building's location in the centre of the site, its 'T' shaped design, and because there is a significant level change across the Order Land.
- 2.2 The Council's purpose in seeking to acquire the third party interests in the Order Land is to facilitate its regeneration, by way of an office-led mixed use development comprising new office floorspace, retail uses, associated car and bicycle parking, a new public square and environmental improvements, and associated means of access ("**the Development**"). The Council considers that the Development will contribute significantly to the economic, environmental and social well-being of its area by delivering important public benefits as referred to in Sections 5 and 6 below.
- 2.3 That part of the Order Land in which third party interests are to be acquired is shown edged and hatched black on the Order Plan. In addition, the Order seeks the acquisition of rights which are needed for crane oversailing to enable the construction of the Development to take place. The extent of the crane oversailing rights, to be acquired pursuant to Section 13 of the Local Government (Miscellaneous Provisions) Act 1976, is shown edged and stippled black on the Order Plan.
- 2.4 London and Continental Railways Limited ("LCR") owns the freehold of the Order Land. This is subject to a long lease to Zurich Assurance Limited ("Zurich") of 125 years, commencing in April 1973. Beneath this, Silverbush Limited ("Silverbush")

have a long lease of the Order Land under a 125 year lease less 3 days from April 1973. LCR then have a long leasehold interest of 125 years less 10 days from April 1973 below this.

- 2.5 LCR is then landlord to several occupational tenants in the Axis Building. These include the British Transport Police, WS Atkins, the Office of Public Guardian and others.
- 2.6 Crane oversailing rights are sought over the areas outside the Axis site boundary, edged and stippled black on the Order Plan, over which the jibs of the cranes will need to pass during the construction phase. LCR seek to acquire such rights by agreement with the relevant owners, and will continue those discussions during the CPO process.
- 2.7 The Axis Building will be demolished for the purposes of the Development, as is explained below. The Development is not just about providing high quality Grade A office space. The Development will result in the comprehensive regeneration of an underutilised and inefficiently used brownfield site in the heart of the city centre. It will significantly improve the connectivity of the Order Land and the surrounding area, and will vastly improve the pedestrian and public environment, creating an attractive fully accessible public square, with shops and cafes, and the planting of new additional trees. The proposals underpinned by the Order will transform the site and the surrounding area, and will further the delivery of the Council's development plan and Big City Plan objectives.
- 2.8 Planning permission has been granted for the Development that will provide much-needed high-quality, well-designed, Grade A office space in Birmingham city centre. The needs of incoming tenants require some detailed changes to the Development and amendments to the planning permission are being sought. This is explained further in section 4 below, but none of these raise any new or different planning matters to those considered for the existing permissions, and it is expected that the changes will be approved. The Development represents a considerable investment into Birmingham's city centre; floorspace would increase from 17,750 sq m (GIA) to over 123,819 sq m (GIA). This would enable the city to compete for inward investment and retain existing businesses and jobs and will provide new, attractive, public spaces.
- 2.9 The Development will be delivered by LCR, which owns the freehold of the Order Land. LCR is a company wholly-owned by the Department for Transport and which specialises in the management, development and disposal of property assets, particularly property assets associated with major infrastructure projects. LCR is involved in a number of major regeneration and development projects around the UK, as explained later in this statement.

3. Identifying the Opportunity

- 3.1 Since the mid 1980's the Council has promoted the transformation of the City Centre based upon the concepts of economic revitalisation, urban regeneration, quality of design and place making and improved pedestrian connectivity. The quality of the environment and the economic health of the City Centre have long been recognised as intrinsically linked and the desire has been to create a better place in which to live, work, shop or visit. The City Council's desire to promote improvements to the City Centre led to a City Centre Strategy (1987), endorsed the following year at the Highbury Initiative (1988), from which, strategies were produced for pedestrianisation and open space (1988), and for urban design

(1990). This work was later articulated in an updated strategy for the City Centre published in 1992.

- 3.2 The overarching approach aimed to ensure that Birmingham's City Centre became an economic motor for the City and region fulfilling its underlying potential as the West Midlands' focal point for growth in high level professional and financial services, retailing and leisure. The strategy aimed to achieve a much more attractive place; a place that attracts individuals but also a place that welcomes companies, developers and investors. In this respect the quality of the City's streets and squares and of its individual buildings are seen as an investment attracting and retaining activity. A high quality network of pedestrianised streets, squares, public spaces and canal side routes is being implemented across the City Centre along with the creation of high quality developments, as outlined in Section 4.
- 3.3 This strategy was incorporated into the 1993 Unitary Development Plan and subsequently taken forward in the 2005 Unitary Development Plan and the existing Birmingham Development Plan 2031.
- 3.4 By 2006 the Council recognised that while the strategy developed in the late 1980's had served the City well time and place had moved on and a refreshed approach was needed. The Council engaged with Professor Michael Parkinson CBE to review progress in the regeneration, analyse the current performance and identify the actions for the future to create a successful and prosperous City Centre. In 2007 the Council published the "Birmingham City Centre Masterplan: The Visioning Study", which presented the analysis of the achievements so far, challenges and opportunities for the City Centre. In particular it identified the key things that a new masterplan for the City Centre had to address to support Birmingham's economic competitiveness at a national and international scale. These include:
- Innovation and skills
 - Economic and cultural diversity
 - Connectivity
 - Strategic capacity and leadership
 - Quality of place
- 3.5 Stemming from the work in The Visioning Study the Council produced an updated strategy for the City Centre. The Big City Plan City Centre Masterplan ("BCP") approved by the Council in July 2011, sets out the updated strategy for the City Centre covering the next 20 years. It builds upon the work described in paragraph 3.1 to 3.4. The BCP seeks to promote further transformation identifying opportunities for growth and re-emphasised the importance of creating high quality environments and pedestrian connections.
- 3.6 The Big City Plan identifies a programme for transformation, for the city centre which focuses on regeneration and expansion of the city core, promoting the individual character of each area, to create economic growth. The removal of Masshouse Circus and the Eastside development are both examples of the approach, followed by developments at New Street, Paradise and Arena Central. Compulsory purchase powers have been used and are a key tool in achieving this aim and have been successfully used at New Street Station and Paradise, Eastside and Masshouse. The Mailbox redevelopment is a prime example of expanding the

city centre core with a major mixed use scheme, which includes significant retail; anchored by Harvey Nicholls it also houses BBC studios and cafes and restaurants, capitalising on the canalside location. This development, along with the nearby Cube mixed office led scheme, were both enabled through the use of compulsory purchase orders.

- 3.7 The redevelopment of the Order Land delivers the Big City Plan objectives. It provides a significant amount of Grade 'A' office floorspace, laid out and designed in such a way that the site serves to integrate this space into the city core and attracting and encouraging this location as a place to work in or move through. The increased quantum of office floorspace and improved pedestrian links will generate greater footfall to support the mix of retail and leisure uses at ground floor level.

4. **The Development**

- 4.1 The redevelopment proposals for the Order Land emphasise providing mainly high quality office accommodation, focused around a new public square, which relates in design and layout with its surroundings and serves to organically expand the city core. The Development has the benefit of planning permission for four office buildings. One of the permitted buildings is proposed to be divided into two. The five new buildings (of heights of 9, 6, 23, 14 and 3 storeys) will complement the nearby Arena Central scheme, in terms of provision of more Grade 'A' office space and in terms of quality of design.

- 4.2 Detailed planning permission (Ref: 2016/09735/PA) was granted in February 2017 for the demolition of the existing Axis Building and the construction of the proposed first office block, to be known as One Axis Square. Subsequently an outline planning permission (Ref: 2017/01882/PA) was granted on 13th October 2017 for the redevelopment of the remainder of the Order Land, for three further office blocks (to be known as Two to Four Axis Square) together with retail, a new public square, landscaping and access.

- 4.3 An application pursuant to section 73 of the Town and Country Planning Act 1990 was submitted on 12th June 2018 (Ref: 2018/04812/PA) in order to vary the detailed design of the outline planning permission so that the following changes can be made to the Development:

4.3.1 A reduction in the height of the southern wing of Four Axis Square from seven storeys to three. This reconfigured southern wing will be re-designated as Five Axis Square and will be used for retail use only;

4.3.2 A reconfiguration of the basement level in order to largely remove the basement of Four Axis Square. Servicing for Four Axis Square will instead take place at ground floor level;

4.3.3 An alteration to the approved one-way access from Holliday Street to Royal Mail Street so that a two-way access is created with egress to Royal Mail Street, limited to cars and service vehicles for One Axis Square only, with traffic for the other buildings exiting onto Holliday Street; and

4.3.4 A reduction in the height of the colonnade on the eastern elevation of Four Axis Square from 13.15m to 10.60m.

- 4.4 The above changes do not raise any new or different planning matters to those already considered and it is expected that planning permission will be granted for them.
- 4.5 The design of Four Axis Square has progressed significantly and a reserved matters application for its appearance will be submitted in July 2018.
- 4.6 The above changes to the outline planning permission are needed as LCR have identified occupiers for One and Four Axis Square since the original permission was granted. This represents a positive step forward in the scheme development and demonstrates the demand for Grade A office space at this location.
- 4.7 As occupiers have been identified for One and Four Axis Square, it is now proposed to develop these two buildings in the first phase, with the other buildings to follow in later phases. The reconfiguration of Four Axis Square (to create the retail unit in Five Axis Square) is required so that Four Axis Square can be constructed as soon as possible, with Five Axis Square which contains retail floorspace to be delivered once the other buildings have been constructed and occupied.
- 4.8 The height of the colonnade is being reduced in order to create a better relationship with the pedestrian environment of the square and the thoroughfare to Holliday Street.
- 4.9 It is proposed to develop One and Four Axis Square in the first phase, with Two, Three and Five Axis Square to follow. Both One and Four Axis Square will be developed alongside the existing Axis building, following which the Axis building will be demolished and the other buildings will be constructed. Those existing tenants of the Axis Building wishing to remain on the Order Land could then relocate to the new buildings in the first phase, along with new tenants.
- 4.10 Pedestrian access will be via a landscaped area adjacent to Royal Mail Street to a temporary entrance at the rear of One Axis Square, and in the case of Four Axis Square, to an entrance at the side of the proposed reception.
- 4.11 Access for construction traffic will be from Holliday Street, and additional temporary car parking will be added to the north-east corner (on existing hardstanding) to replace that lost to the construction site.
- 4.12 The Development will also incorporate a lower-ground basement beneath the footprint of One, Two, Three and Five Axis Square. The basement will provide parking for 49 vehicles, and 568 bicycles, along with space for employee changing rooms, and associated plant and storage.
- 4.13 Document BCC 13 shows the revised masterplan for the Development.
- 4.14 The Development, as revised, will deliver up to 123,819 sqm (GIA) of high-quality office, retail and ancillary floorspace, which would be a net increase of 106,069 sqm (GIA) on the existing Axis building's floorspace of 17,750 sqm (GIA). It will provide modern Grade A office accommodation in a highly accessible, sustainable and attractive location.
- 4.15 The Development includes approximately 3,431 sqm of landscaped public realm which is unified by a new central plaza. The landscaping incorporates the planting of additional trees and extensive soft planting and greenery, including a shade garden along the southern boundary. The Development has been carefully planned

to provide improved pedestrian routes which are safe, legible and attractive. Absent the Development, it is likely that the existing external environment of the site would become increasingly tired.

- 4.16 The construction programme for the Development envisages it being undertaken in approximately 6 years.
- 4.17 The Development has been subject to substantial consultation, since its initial discussions with the Council's officers in June 2015. The detailed planning application for the first office building (One Axis Square) was submitted in November 2016 and granted in April 2017, and in parallel to the promotion of that application, LCR and its consultants continued discussions with the Council and other stakeholders regarding the regeneration of the Order Land. The design of the Development evolved further in response to stakeholder feedback and comments and advice from the Council's City Design & Conservation Manager.
- 4.18 The outline planning application for the remainder of the Order Land was submitted in February 2017, and was the subject of discussion with the Council's officers and consultees. Local Ward Councillors were fully briefed on the Development proposals, whilst the public consultation process relating to the Order Land included the circulation of leaflets to the public, press releases and local adverts, from January 2017. A website was launched to provide further information on the proposals, and acted as an additional avenue for commenting on the Development outside of the public exhibition. A free-phone line was also provided, as an alternative source of information. The reserved matters for Four Axis Square due to be submitted in July 2018.
- 4.19 A public exhibition was held on 27th and 28th of January 2017 in the Crowne Plaza Hotel on Holliday Street, opposite the Order Land. A total of 56 people attended the exhibition and 18 comments were made either via the cards made available at the exhibition or via the website.
- 4.20 The Development has undergone substantial public consultation, and has been informed by the public, the Council, and stakeholders.

5. **The Benefits**

- 5.1 In deciding whether to make the Order the Council has had regard to the Guidance and in particular, the Council considers that there is a compelling case in the public interest for promoting the Order to facilitate the Development. The Development will contribute towards the achievement of the economic, social and environmental well-being of Birmingham City centre and the surrounding area, will:
 - 5.1.1 provide circa 113,389 sqm of high quality new office space for the city - an increase of 95,639 sqm from the site's current floorspace, this is at a time when there is a need for new office space, indeed the supply in 2019 looks limited against anticipated demand for Grade A which means new build Grade A land is supported;
 - 5.1.2 facilitate the redevelopment of a prominent brownfield site which is currently underused and inefficiently used, resulting in an increase in density of circa five times;
 - 5.1.3 deliver the replacement of a building (which has insufficiently large floorplates, low floor to ceiling heights and narrow wings) with a modern,

attractive office development which will provide large, open plan floorplates better suited to open plan communal working;

- 5.1.4 create a further important step in the regeneration and reinvigoration of this part of the city, which will benefit other developments in the vicinity;
 - 5.1.5 help to create a "hub" of office and business development in this part of the city, alongside other sites such as Arena Central and the Cube;
 - 5.1.6 create public routes through the site to the surrounding area, creating new attractive linkages between New Street Station, Arena Central and the Mailbox developments, and the Library of Birmingham and International Convention Centre;
 - 5.1.7 create a far more inviting and appealing environment in which to work, with high quality public realm to replace the existing tired external areas;
 - 5.1.8 open up the existing site to public access in a high quality environment – including a new public square;
 - 5.1.9 create circa 300 (FTE) construction jobs – which is an average of 300 workers per month over the construction period;
 - 5.1.10 provide an increase in the potential number of jobs at the overall site by an additional 8,000 employees (i.e. an increase from the current figure of 2,000 up to over 10,000);
 - 5.1.11 provide new office space which will target BREEAM excellent standard and will be wellness-focussed, thus contributing towards the Council's sustainability targets and promoting the health and wellbeing of workers;
 - 5.1.12 create additional employee spending in the local economy of circa £19 million per year, with an overall contribution to the wider economy of circa £287 million per year; and
 - 5.1.13 bring significant investment to the city, and the increased business rates (the additional business rates being potentially circa £9 million per year).
- 5.2 These benefits clearly demonstrate that there is a compelling case in the public interest for the Development to be delivered. Moreover, failing to make the Order would result in the loss of potential high quality public and private sector investment, which would have a negative impact on job creation for Birmingham and the wider region.
6. **Consistency with planning policy**
- 6.1 There is considerable policy, guidance and advice that support the proposals for the Development.
 - 6.2 At the national level the National Planning Policy Framework (NPPF) sets out Government guidance for the operation of the planning system and came into effect on 27th March 2012. The document focuses on the achievement of sustainable development with the planning system performing a key role in achieving this through:

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
 - a social role – supporting strong, vibrant and healthy communities, by creating a high quality built environment, with accessible local services that reflect the community’s needs and support its health, social and cultural well-being; and
 - an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.
- 6.3 The NPPF emphasises the Government’s commitment to securing economic growth and that the planning system does everything it can to support this to build a strong competitive economy. This includes ensuring the vitality and viability of ‘town’ centres. The thrust of the policy framework is that this will be achieved by creating a planning system which lends its support to new sustainable developments and to ensure that the ‘town’ centre retains its key role. The redevelopment of the Order Land will undoubtedly enhance the role and function of Birmingham City Centre and ensure its on-going vitality and viability by locating ‘main town centre uses’ within a core, but currently underutilised, area of the City Centre. The comprehensive redevelopment is considered to conform with the principles set out in the NPPF.
- 6.4 Paragraph 17 of the NPPF identifies twelve core planning principles underpinning the system, of which the following are particularly relevant:
- 6.4.1 proactively drive and support sustainable economic development to deliver the ... business units ... and thriving local places that the country needs. Every effort should be made to identify and meet ... business and other development needs of an area;
 - 6.4.2 encourage the effective use of land by reusing brownfield land, and
 - 6.4.3 actively manage patterns of growth to make the fullest possible use of public transport.
- 6.5 The Development will undoubtedly contribute to the local and wider economy by generating a considerable number of employment opportunities, providing much needed Grade A office space and supporting growth in the city centre. The Development will comprise well designed buildings and will be well-served by public transport. The redevelopment of the Order Land through the Development will promote key principles of the NPPF.
- 6.6 The Government is currently consulting on its draft revisions to the NPPF. The suggested changes focus on housing issues primarily and the support for urban regeneration and economic growth are maintained.

Birmingham Development Plan 2031 (BDP)

- 6.7 The Birmingham Development Plan 2031 (“BDP”) was adopted by the Council on 10th January 2017 and is the central Development Plan document for Birmingham and sets out a vision for Birmingham to 2031. To achieve this vision, it proposes 11 Objectives. Objectives of particular relevance to the Development include:
- 6.7.1 To create a prosperous, successful and enterprising economy with benefits felt by all;
 - 6.7.2 To provide high quality connections throughout the City and with other places including encouraging the increased use of public transport, walking and cycling.
 - 6.7.3 To develop Birmingham as a City of sustainable neighbourhoods that are safe, diverse and inclusive with locally distinctive character;
 - 6.7.4 To create a more sustainable City that minimises its carbon footprint and waste while allowing the City to grow.
- 6.8 One of the main objectives of the BDP is to promote Birmingham’s national and international role, as a global city which will include ensuring that the city continues to increase its standing, with a diverse regional centre offering a variety of cultural, retail and business opportunities for those who visit or live within the city. It further emphasises the need to enhance the environmental quality of the City Centre as a priority. The plan therefore sets the framework for the next significant steps in its continued growth and regeneration.
- 6.9 The BDP will seek to plan for significant levels of additional growth over the plan period. The City Centre will have a vital role to play in supporting economic growth including enabling an increase in the supply of office accommodation. The BDP sets out targets for office development that will need to be met to support the City’s economic performance and job creation commensurate with the overarching objectives for the City.
- 6.10 The BDP is particularly geared towards sustainable growth. It argues that the ‘continued revitalisation and modernisation of the city’s economy’ is central to this growth agenda, and pursuing this will ensure the creation of jobs and prosperity for existing and future residents. The BDP puts particular emphasis on ensuring that sites can support economic growth, including the business, financial and professional services sectors.
- 6.11 The Order Land is located in the ‘City Centre’, within the ‘Westside and Ladywood Quarter’. The Order Land is designated within the ‘Growth Area boundary’, but it is not within a ‘Development site’ or a ‘Wider Area of Change’. However, the redevelopment of the Order Land will meet or help to further a number of local plan objectives.
- 6.12 The BDP makes clear that the City Centre area is to be the focus for growth in office floorspace, with Policy PG1 seeking a minimum of 745,000 sqm (gross) of office floorspace in the network of centres, primarily focussed on the City Centre. Policy TP20 confirms that of this space 700,000 sqm is planned for the City Centre over the plan period.

- 6.13 The Development will result in the increase in the office floorspace from 17,750 sqm (GIA) to 113,389 sqm (GIA).
- 6.14 The Development will also provide 4,716 sqm (GIA) of retail floorspace, which will contribute towards the achievement of policy GA1.2, which seeks retail development in the centres.
- 6.15 The relevant development plan policies are:
 - 6.15.1 PG1 'Overall Levels of Growth'
 - 6.15.2 PG3 'Place Making'
 - 6.15.3 GA1.1 'City Centre – Role and Function'
 - 6.15.4 GA1.2 'City Centre – Growth and Areas of Transformation'
 - 6.15.5 GA1.3 'City Centre – The Quarters'
 - 6.15.6 GA1.4 'City Centre – Connectivity'
 - 6.15.7 TP7 'Green Infrastructure Network'
 - 6.15.8 TP20 'The Network and Hierarchy of Centres'
 - 6.15.9 TP37 'A Sustainable Transport Network'
 - 6.15.10 TP38 'Walking'
 - 6.15.11 TP39 'Cycling'
 - 6.15.12 TP40 'Public Transport'
 - 6.15.13 TP43 'Traffic and Congestion Management'
 - 6.15.14 TP44 'Accessibility Standards for New Development'
- 6.16 The Development is in line with statutory planning policies relevant to the Birmingham area.
- 6.17 Offices are identified as one of the core activities that make up the City Centre. The future prosperity of the City Centre is dependent on the continued growth of office and service sector employment. The importance of maintaining this supply and identifying opportunities for growth is highlighted by the realisation that the core area has reached its physical capacity and additional demand for office accommodation can only be met by the physical expansion of the core area.

Big City Plan (2011)

- 6.18 The Big City Plan City Centre Masterplan, was adopted in July 2011. It sets out Birmingham City Council's proposals to expand the city core by encouraging more primarily office, retail and residential led sustainable growth. The BCP identifies improving connectivity, creating new public spaces and sets out a programme of major projects eg New Street Station, The Library of Birmingham and the Midland Metro Line 1 Extension. The Development will help to achieve this objective.

- 6.19 The Big City Plan does not form part of the statutory development plan but has been produced by the City Council to provide a vision for the future development of the City Centre. The vision, concepts and principles that are contained within the BCP are embedded within the Birmingham Development Plan. The Big City Plan has been produced as a non-statutory planning and regeneration framework that sets out a blueprint for how the City Centre will be transformed over the next 20 years. The Big City Plan is the next stage in the ongoing transformation of the City Centre. The principles of supporting growth and environmental improvement are well established and the Big City Plan continues these themes.
- 6.20 The Big City Plan includes a range of proposals for growing the City Centre Core functions and promoting the overall environmental quality and connectivity. The approach in the Big City Plan recognises that the City's success in the future will be driven by the strength and sustainability of its economy which will need to be robust and diverse enough to perform alongside European and international competitors. Creating a strong post-industrial economy driven by a range of sectors including knowledge, technology, research, science and local services will be key to the economic performance alongside a high quality of environment.
- 6.21 The strategy of the Big City Plan seeks to allow the City Centre Core to grow to accommodate greater levels of economic and cultural activity. Five areas of transformation are identified as providing the space to allow this growth delivering over 1.5 million square metres of new floorspace for a mix of uses including office, residential, retail, leisure and education.
- 6.22 The Big City Plan seeks to build on the early success of projects such as the ICC and NIA by improving access and connections, linking with the City Centre Core and adjacent Quarters, extending development opportunities, and improving the public realm. The Big City Plan recognises the strategic importance of the Order Land and the opportunity for major redevelopment that will contribute to the ongoing regeneration and improvement. The scheme of redevelopment accords with the vision and principles of the Big City Plan.
- 6.23 A key element of the BCP is expanding the City's office and business sectors through providing and encouraging new development (page 14, Growth). The Order Land falls within the Westside quarter of the city centre and expanding office based employment here is identified as an objective. Similarly mixed use development is supported with further retail development encouraged. Clearly, the Development will help to achieve this objective.
- 6.24 The BCP has a section on each of the quarters. For the Westside quarter the emphasis is on improving connectivity to make movement better between the core and the quarter and to ensure that the existing economic strength can be further developed. The Development will increase the amount of office and retail floorspace in a sustainable way, creating a new public space and also facilitating better connectivity, and so will achieve the key aims of the BDP.
- 6.25 It is the Council's view that the promotion of the Order promotes national and local planning policy and will contribute to the achievement of the promotion of the economic, social and environmental well-being of the area. Without the use of compulsory purchase powers neither this Development nor any other proposals capable of meeting these objectives will be delivered. Without the Order the Council will not be able to secure the wider public benefits that the Development will bring. Compulsory acquisition is therefore considered to be necessary, justified in the public interest, and proportionate.

Birmingham's Sustainable Community Strategy

- 6.26 In addition to delivering key objectives in national and local planning policy, the Development will also help to achieve objectives in Birmingham 2026: Our Vision for the Future - the Council's Sustainable Community Strategy. This document reflects the findings of consultation with local residents and businesses. It identifies priorities for action in response to the findings.
- 6.27 Birmingham 2026 sets out a vision for the City in 2026. It identifies the concerns of residents and sets out priorities. The key issues are: crime levels, clean streets, facilities for children, need for integrated transport, improving skills, education and employment.
- 6.28 Attracting business and providing decent affordable housing were also cited. There was also a desire to be able to influence local decision making.
- 6.29 The Strategy then sets out five priorities for action over the period up to 2026 they are: Succeed economically – benefit from education, training, jobs and investment; Stay safe in a clean, green city – living in safe and clean neighbourhoods; Be healthy – enjoy long and healthy lives; Enjoy a high quality of life – benefit from good housing and renowned cultural and leisure opportunities; Make a contribution – value one another and play an active part in the community.
- 6.30 Four guidance principles are then set out: Prevention – redirecting the Council's energies and resources into working with communities to stop problems developing and to reduce dependency. Targeting – protecting and nurturing vulnerable people, and tackling disadvantaged communities in the city. This is referred to as 'closing the gap' between different sections of the city, in terms of issues like prosperity, safety, health, education, and social and digital exclusion; Personalisation – ensuring the Council tailors its services to people's needs. Sustainable development – improving the quality of life citizens of Birmingham and achieving a sustainable economy while living within environmental limits.
- 6.31 The Development accords with the priorities and principles set out in the Community Strategy. As explained above, over 8,000 new jobs will be created and the new Development will attract inward investment into the local area and wider City region. The Development will be sustainable, benefitting from excellent local transport links to Birmingham New Street Station and the tram network. The Development will also create more green space, with more trees being planted and the creation of a new area of open space in a city centre location.

Other policies

- 6.32 In addition to the above policies and guidance there are a range of supplementary planning documents providing detailed policy in support of the BDP that are relevant to the Development. These are: 'Car Parking Guidelines', (SPD), which sets out requirements based on location and type of land use; 'Access for People with Disabilities' (SPD); 'Lighting Places: A Lighting Strategy for the City Centre', (SPD); 'Green Living Spaces Plan', (SPD); Places for All' (SPG), this focuses on raising the overall design quality of developments; and 'High Places: A Planning Policy Framework for Tall Buildings' (SPG).

7. **Delivery and Resources**

- 7.1 LCR has a track record of delivering large-scale and complex regeneration and redevelopment projects. Examples include the development of Stratford City in partnership with Lendlease, and the regeneration of Kings Cross in partnership with Argent. At Stratford City, LCR attracted a number of pre-lets, including the Financial Services Authority, Transport for London, Cancer Research UK, and British Council.
- 7.2 As is explained below, LCR is in discussions with the Government Property Agency (“GPA”). The GPA wishes to co-locate a number of government organisations and bodies into an “office hub”, and the Development would be ideally placed for this requirement. An initial phase of this hub is to be located on the Arena Central site, which is adjacent to the Order Land, and this creates a unique opportunity to build a major hub in this part of the city centre, spanning both sites.
- 7.3 In addition, Department for Transport is looking at the opportunity to locate a “Transport Campus” in the Development, co-locating various departmental agencies and sponsored bodies in the City Centre. This provides a second significant potential public sector tenant requirement for the Development.
- 7.4 LCR is also aware of the strong private sector demand for Grade A office space in the City Centre. Market testing has demonstrated that there is a demand for high quality Grade A office space in Birmingham, and that the Development would be very well placed to capture it. In addition, LCR is seeking to relocate its commercial tenants from the existing Axis Building into One or Four Axis Square, alongside the new tenants that would be attracted in the market, and any allocations from LCR’s sponsoring department, the Department for Transport.
- 7.5 In any event, LCR has committed to proceed with the Development on the Order Land irrespective of whether the GPA requirement is secured.
- 7.6 The LCR Group balance sheet shows LCR as having net assets of £346.2 million as at 31 March 2017, and cash or cash equivalents of £170.9 million. In terms of the delivery of the Development, LCR plans to partner with a funder, with the process for selecting the funder being under way. The first phase of the Development, being One and Four Axis Square, is intended to be brought forward through the grant of a development lease to the funder, who will build out the development. Interest from the market is such that LCR is confident that it will have selected both the funder and the contractor on acceptable terms in line with the delivery programme. An update will be provided in evidence.
- 7.7 In the highly unlikely event that LCR is not satisfied with the identity of, or potential terms offered by, a funder partner, then LCR will instead directly appoint a contractor to build out the Development.
- 7.8 The timing of delivery of Phase 2 of the development (Two, Three and Five Axis Square) will be determined to reflect demand but the phasing outlined in Section 4 shows the current proposals for delivering the Development.
- 7.9 In terms of funding for the Order, LCR has entered into an indemnity agreement with the Council in respect of all of the costs and liabilities it might incur in connection with the use of its compulsory purchase powers, including the costs of preparing and promoting the Order and any compensation liability that flows from it.

- 7.10 As such, it is clear that LCR has access to the funds and resources to deliver the Development.

The need for the Order

- 7.11 There is a need for the Order. As mentioned above, LCR has been in discussion with the two holders of the long leasehold interests in the Order Land, Zurich and Silverbush, for a considerable period. Discussions will continue in parallel with the compulsory purchase process and LCR is confident that agreements will be concluded with both regarding the acquisition of their interests.

- 7.12 In terms of the occupational tenants, discussions are ongoing with them in connection with their relocation from the existing Axis Building into the Development. As described above, it is envisaged that One and Four Axis Square will be completed in advance of the existing Axis Building being demolished, so that tenants who so desire may relocate directly into the new Development, alongside new tenants. Most of the occupational tenancies will expire in time for the Development. There is also telecommunications equipment at the Axis Building.

- 7.13 As such, given the uncertainty at this stage regarding LCR being able to reach agreement with the long leaseholders, and given that it is not certain that LCR can obtain complete vacant possession of the Axis Building, it has asked the Council to promote the Order in order that LCR can deliver this development and the associated City Centre regeneration. The promotion of the Order will also provide the certainty needed by the GPA that the Development can be delivered on a timescale to meet the GPA's requirement in mid 2021, currently expected to be circa 14,000sqm and which includes most of the existing government tenants in the existing Axis Building.

- 7.14 The Guidance states that acquiring authorities and their partners are expected to show that they have taken reasonable steps to acquire interests by agreement, and that consideration should be given to securing agreement with parties so as to avoid the need for compulsory purchase powers. The Guidance also recognises that there will be occasions when it is appropriate for a compulsory purchase order to be made alongside negotiations. The Guidance recognises that waiting to exhaust all negotiations, or waiting until negotiations have broken down, before starting the compulsory purchase process can result in opportunities being lost. As regards the Order Land, without the certainty that compulsory purchase powers can bring to the timescales for the land assembly process, the current opportunities could be lost and the pace of regeneration slowed.

- 7.15 As well as the public sector demand via the GPA requirement and transport campus, there is also a very strong private sector demand for Grade A office space in Birmingham City Centre, especially in locations with such good transport connectivity. Therefore should the GPA requirement not be secured for the Order Land, or any prospective tenants fall away LCR would engage with the market and seek to build out the scheme sequentially in line with tenant demand. The certainty that the Order brings will be important to provide confidence to potential funders and occupiers of the proposed Development.

8. Enabling Powers and Guidance

- 8.1 The Order is made by the Council under Section 226(1)(a) of the Act, in respect of the interests to be acquired, and under Section 13 of the Local Government (Miscellaneous Provisions) Act 1976, in respect of the crane oversailing rights.

- 8.2 Section 226(1)(a) of the Act provides the Council with the ability to compulsorily purchase land (and interests in land) if it thinks that acquiring the land/interests in question will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land. Section 226(1A) of the Act provides that this power may only be relied upon if the Council thinks that such development, redevelopment or improvement is likely to contribute to the achievement of the promotion of the economic, social or environmental well-being of its area.
- 8.3 The Order meets all three of those criteria. The Development will bring the public benefits identified at paragraph 5.1 above. The social benefits being job creation and improved connectivity. The economic benefits are the job creation, new floorspace and investment into the economy. The environmental benefits that the Development will bring include improved connectivity of the site through the design and layout of new publicly accessible streets and squares, connecting into the surrounding area and becoming a welcoming location in its own right. The Development includes significant tree planting, which will result in more trees than before and also includes elements of soft and hard landscaping and open space.
- 8.4 Section 226(4) of the Act provides that it is immaterial that the development, redevelopment or improvement may be carried out by a third party. As such, it envisages that the Council may use its powers to facilitate development by another, such as LCR.
- 8.5 Section 13 of the Local Government (Miscellaneous Provisions) Act 1976 enables the council to compulsorily acquire such new rights over the land as are specified in a compulsory purchase order. This power is commonly used to acquire secure crane over-sailing rights.
- 8.6 The Guidance sets out the matters that should be considered by an authority seeking to use compulsory purchase powers. The Council has had regard to the Guidance in making the Order.
- 8.7 Paragraph 1 of the Guidance states that:
- “Compulsory purchase powers are an important tool to use as a means of assembling the land needed to help deliver social, environmental and economic change. Used properly, 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”.*
- 8.8 At paragraph 12, it also states that, *“A compulsory purchase order should only be made where there is a compelling case in the public interest”*, and that *“An acquiring authority should be sure that the purposes for which the compulsory purchase order is made justify interfering with the human rights of those with an interest in the land affected”*. Paragraph 13 states that when considering whether to confirm a compulsory purchase order, the Secretary of State *“has to be able to take a balanced view between the intentions of the acquiring authority and those with an interest in the land ... and the wider public interest”*.
- 8.9 In addition to providing general guidance on the use of compulsory purchase powers by acquiring authorities, Section 1 of Tier 2 of the Guidance assists local authorities by providing guidance on the use of their powers under Section 226 of the Act. Paragraph 95 provides that the power is *“intended to provide a positive tool to help acquiring authorities with planning powers to assemble land where this*

is necessary to implement the proposals in their Local Plan or where strong planning justifications for the use of the power exist”.

8.10 Confirmation of the Order is needed to secure the acquisition of the third party land interests in the Order Land that are required to implement the Development and facilitate the delivery of this important regeneration scheme for Birmingham city centre. The Council considers that the Development offers a significant opportunity to contribute to the social economic and environmental well-being of the area, as is considered below.

9. Factors for Secretary of State to consider on confirmation

9.1 The Guidance states (at paragraph 106) that the Secretary of State will take into account the following factors in deciding whether to confirm an order under section 226(1)(a).

9.2 Firstly, 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. This is considered in section 6 of this Statement.

9.3 Secondly, the extent to which the proposed purpose will contribute to the achievement of the promotion or improvement of the economic, social or environmental wellbeing of the area. This is considered in Sections 5 and 8 of this Statement.

9.4 Thirdly, whether the purpose for which the acquiring authority is proposing to acquire the land could be achieved by any other means.

9.5 The Axis Building was constructed in the 1970s, and is now outdated and does not meet the requirements of modern occupiers, particularly those seeking Grade A office accommodation. The attractiveness of the Axis Building for office occupiers is likely to continue to decrease. With a number of the occupational tenancies coming to an end in the next few years, LCR and the Council are faced with a key decision – whether LCR should refurbish the existing Axis Building and seek to negotiate new leases with occupiers, or to pursue the regeneration of the Order Land. For the reasons set out in this statement, regeneration of the Order Land in a comprehensive manner is the only option that will deliver the significant public benefits that the Development can provide.

9.6 It is clear that refurbishing the existing Axis Building and seeking to grant new tenancies, would result in the continued aging of the building and accommodation, and the same issues would arise when those tenancies come to an end in 10 or 15 years' time – only the situation and problems being more acute. It would also result in the loss of the substantial public benefits that will flow from the regeneration of the Order Land through the Development, and a large brownfield site in an important part of the city centre, less than five minutes' walk from New Street Station, would remain unattractive and highly inefficiently used. It would also miss the opportunity to secure the GPA requirement and create a public sector office hub, which will help realise other redevelopment and regeneration opportunities, in this part of the city.

9.7 In these circumstances, it is considered that the regeneration of the Order Land must be promoted.

- 9.8 However, the terms of the two long leasehold interests described above are such that it is not possible for LCR to deliver the regeneration of the Order Land. Negotiations with the long leaseholders are taking place, but in the absence of agreement to date LCR has had to request the Council to promote the Order.
- 9.9 There are a number of occupational tenants in the existing Axis Building. Whilst most of the tenancies end on dates which fit with the programme for the Development, and particularly the need to demonstrate to the GPA and other potential occupiers that the Development can proceed to match their timetables, one tenancy extends beyond those dates. Again, LCR is in discussion with the occupational tenants, with the view to most if not all relocating to the new Development, but without agreements with all parties being in place, LCR has requested the Council to promote the Order.
- 9.10 There are also telecommunications operators with equipment located on the existing building. The equipment will need to be relocated and LCR is in discussion with the operators in this regard.
- 9.11 Attached at Appendix 1 is a schematic diagram which identifies each company in occupation of the Axis Building and their exact location by floor and wing. This diagram is to be reviewed alongside the Order plan.

10. **Human Rights**

- 10.1 In determining whether or not to confirm the Order, the Secretary of State must have regard to any interference with human rights, the provisions of the Human Rights Act 1998 and the European Convention on Human Rights (“**the Convention**”). The Secretary of State must consider whether, on balance, the case for compulsory purchase justifies interfering with the human rights of the owner(s) of the Order Land. The Secretary of State also has to be satisfied that the Order does not include land which is not required for the purposes of the Order.
- 10.2 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way, which is incompatible with the Convention on Human Rights.
- 10.3 The main articles of the Convention which are of importance in connection with the Order are Article 1 of the First Protocol – the protection of property, and Article 6 – the right to a fair and public hearing in determining his civil rights and obligations.
- 10.4 Article 1 of the First Protocol to the Convention states that “every natural or legal person is entitled to the peaceful enjoyment of his possessions” and that “no one shall be deprived of those possessions except in the public interest and subject to the conditions provided for by law.” Here, the Order is being promoted under the Act and the 1976 Act, and the related compulsory purchase legislation.
- 10.5 The Order is being pursued in the public interest as required by Article 1 of the First Protocol, and the public benefits are set out earlier in this statement. The Council considers that the Order will strike a fair balance between the public interest in the implementation of the Development and those private rights which will be affected by the Order.
- 10.6 The Council also considers that the Order is proportionate. Without the Order, the objective of redeveloping the Order Land and realising the public benefits cannot be achieved.

- 10.7 In pursuing the Order, the Council has had to carefully consider the balance to be struck between individual rights of those affected and the wider public interest having regard also to the availability of compensation for compulsory purchase under compulsory purchase legislation. Those whose interests are acquired will be compensated in accordance with the law.
- 10.8 Article 6 of the Convention provides that in determining a person's civil rights and obligations, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law. Those affected by the Order will be notified and if objections are made, the Secretary of State will hold a public inquiry to consider the case for the Order and the objections. An affected party also has the right to challenge the confirmation of the Order on legal grounds, by way of challenge in the High Court.
- 10.9 As regards Silverbush and Zurich, it should be noted that their long leasehold interests are effectively commercial investment interests. Neither party physically occupies or operates a business from the Axis Building. If agreement is reached or their interests are acquired pursuant to the Order then those parties would be entitled to consideration or compensation. A party receiving such a payment as a result of (or under threat of) compulsory acquisition can reinvest those monies in another investment property and enjoy capital gains tax roll-over relief in respect of liability that would otherwise crystallise.
- 10.10 In terms of the occupational tenants, they are being offered the opportunity to relocate into the new Development. Whether or not tenants relocate into the new Development, they will be entitled to compensation calculated in accordance with the compensation code. This will include the cost of relocating and associated costs and losses.
- 10.11 In addition, there are some parties who occupy adjacent properties and whose rights to light might be infringed by the carrying out of the Development. The sunlight and daylight report accompanying the outline planning application assessed the impacts of the Development on the rights of light enjoyed by those affected and, the Council (as planning authority) weighed these in the planning balance when deciding to grant planning permission.
- 10.12 Where there are parties whose rights to light might be infringed by the Development, LCR will negotiate with them to reach agreement over the acquisition of those rights. Where agreement is not possible, section 203 of the Housing and Planning Act 2016 is available to over-ride such easements and rights, subject to the payment of statutory compensation.
- 10.13 An initial assessment concluded that a full Equalities Impact Needs Assessment was not required as no relevant groups are affected by the proposals. The first building, One Axis Square, will be completed whilst the existing building is still in use and existing occupiers will be offered the new accommodation. Planning conditions to secure a temporary ramped access have been attached to planning permission.

11. **Special Considerations**

- 11.1 There are no ancient monuments or listed buildings within the Order Land.
- 11.2 The Order Land is not within an Area of Outstanding Natural Beauty, a Conservation Area, Site of Importance for Nature Conservation or Site of Local

Importance for Nature Conservation. The Order Land does not contain any Consecrated Land.

11.3 Some of existing trees on the Order Land are subject to a Tree Preservation Order. The impact on trees, and the new tree planting that forms part of the Development, have been fully considered at the planning stage.

11.4 A tenant of the existing Axis Building (the Secretary of State for Communities and Local Government) is a Crown body, so the interest cannot be acquired by compulsory purchase. However, discussions are ongoing with them and LCR is confident that agreement will be reached regarding a relocation.

12. Related Applications, Appeals, Orders etc.

12.1 There are no related applications, appeals or orders requiring a co-ordinated decision.

13. Objections to the Order

13.1 Three statutory objections have been received in respect of the Order. Details of each of the objectors and their grounds for objection and a summary of the Council's responses, are set out in the table in Appendix 2 to this Statement of Case.

14. Contacts for further Information

14.1 The following officers of Birmingham City Council can be contacted for further information:

General enquiries about the development proposals:

Rod Chapman
Principal Development Planning Officer
Planning and Development – City Centre Team
Birmingham City Council
P.O. Box 28
Birmingham
B1 1TU

Telephone 0121 675 9273
Email rod.chapman@birmingham.gov.uk

Enquiries about compensation and valuation issues:

Kirk Macdiarmid
Savills
33 Margaret Street

London
W1G 0JD

Telephone 0203 320 8259
Email kmacdiarmid@savills.com.

Enquiries about legal issues:

Fatima Chandoo
Legal and Governance Department
Birmingham City Council
P. O. Box 15992
Birmingham
B2 2UQ

Telephone 0121 303 9087
Email fatima.chandoo@birmingham.gov.uk

15. Inspection of Order Documents and Plans

- 15.1 Copies of the Order, plans and related documents can be inspected at the following offices during normal opening hours:

Birmingham City Council
Department of Planning and Regeneration
1 Lancaster Circus
Queensway
Birmingham
B4 7DJ

Telephone 0121 303 4903

OR

Library of Birmingham
Centenary Square
Broad Street
Birmingham
B1 2ND

- 15.2 A website has been established for the Order at <http://axisquare.co.uk>

16. **Inquiries Procedure Rules**

16.1 This Statement of Case is a statement under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007. The Council reserves the right to alter or expand it as necessary.

17. **List of Documents**

BCC 1	The Order
BCC 2	Order Plan
BCC 3	Statement of Reasons
BCC 4	Decision notice (Planning permission no. 2016/09735/PA)
BCC 5	Section 106 agreement relating to the permission for One The Axis (Planning permission no. 2016/09735)
BCC 6	Committee Report (Planning application no. 2016/09735/PA)
BCC 7	Decision notice (Planning application no. 2017/01882/PA)
BCC 8	Section 106 agreement relating to the permission for the wider Axis site (Planning application no. 2017/01882/PA)
BCC 9	Committee Report (Planning application no. 2017/01882/PA)
BCC 10	National Planning Policy Framework (2012)
BCC 11	Birmingham Development Plan 2031
BCC 12	Cabinet report and minutes of 13 th February 2018 authorising the making of the Order
BCC 13	Axis Site Masterplan
BCC 14	Location Plan
BCC 15	Birmingham Office Market Report
BCC 16	Birmingham City Centre Masterplan (2007)
BCC 17	The Big City Plan City Centre Masterplan (July 2011)
BCC 18	Birmingham's Sustainable Community Strategy: Birmingham 2026
BCC 19	'Car Parking Guidelines', (SPD)
BCC 20	'Access for People with Disabilities' (SPD)
BCC 21	'Lighting Places: A Lighting Strategy for the City Centre', (SPD)
BCC 22	'Green Living Spaces Plan', (SPD)
BCC 23	'Places for All' (SPD)

BCC 24 'High Places: A Planning Policy Framework for Tall Buildings' (SPG)

Appendix 1

Axis Tenants Schematic

Average Wing	East 4390	South 4160	West 7350
Roof	Plant & Voadaphone		
10	Atkins	Atkins	Atkins
9	Atkins	Atkins	Atkins
8	Monuments	DCLG	DCLG
7	Skanska	DCLG	BTP
6	Akins	Atkins	Atkins
5	DCLG	DCLG (+Atkins - comms room)	DCLG
4	DCLG	DCLG	DCLG
3	Atkins	Atkins	Atkins
2	Atkins	BTP	BTP
1	BTP	DCLG	BTP
Ground	LCR/BTP/DVLA	BTP	OFSTED/Cetury Link (Level 3)/CCS Tangs
Lower Ground	Atkins (2 No. Store Rooms) BTP (2 No. Store Rooms)		
Approx. Totals	52,680	49,920	88,200

	Various - licenses/ minor demises/ communal space/ plant etc
	DCLG (Office of the Public Gurdian)
	Atkins
	British Transport Police
	Monuments
	Skanska

Note: This schematic is only a pictoral aid to assist with understand the approximate locations of the various tenants within the Axis building and should not be relied up on. For exact information on property interests within the building please refer to tables 1 & 2.

Appendix 2 – Schedule of Objections and Responses

OBJECTION #	OBJ NAME & AGENT	PLOT #	ADDRESS	DATE OF OBJECTION LETTER	OUTLINE OF OBJECTION	RESPONSE
OBJ1	Silverbush Limited Slaughter and May	1,2, and 3	Slaughter and May One Bunhill Row London EC1Y 8YY	17 May 2018	<p>CPO as a last resort</p> <ol style="list-style-type: none"> The Order is premature as LCR has not done enough to acquire Silverbush's interest by private treaty The Order is unnecessary and inappropriate because the site can be developed without the Council using CPO powers with LCR going into partnership with Silverbush <p>No need for the Development</p> <ol style="list-style-type: none"> The site currently provides good quality modern accommodation so there is no need to redevelop it The council has not demonstrated that there is a need for Grade A office space nor is the site currently "underused and inefficiently used" The Axis building is fully let and occupied by numerous businesses which will all be displaced There is a strong demand for affordable office space in the locality and there is enough Grade A office space in the pipeline already The scheme does not fall within areas designated by the Council for new office development There is a pipeline of Grade A office space beyond 5 years <p>Impediments to delivery – viability and funding</p> <ol style="list-style-type: none"> There is uncertainty about the viability and profitability of the development and LCR has declined to provide a copy of the viability assessment for the development The Council has not demonstrated that it/LCR will have sufficient funding available to carry out the scheme There is an oversupply of Grade A office supply in the city centre <p>Breach of Silverbush's Human Rights</p> <ol style="list-style-type: none"> Silverbush contests that its Human Rights are not disproportionately affected by the CPO just because it is not in occupation of the Axis building There are no public benefits to justify interfering with Silverbush's human rights <p>No compelling case in the public interest</p> <ol style="list-style-type: none"> No public benefits will arise from the Development (in fact it will increase the shortage of affordable office space) and the use of CPO powers is inappropriate 	<p>CPO as a last resort</p> <ol style="list-style-type: none"> Negotiations to acquire Silverbush's long leasehold interest outright by private treaty have been ongoing since July 2017, after it was made clear that a joint venture between LCR and Silverbush was not a viable option (see below). An offer has been made to acquire Silverbush's interest and discussions will continue in parallel with the CPO process. Between July 2015 and July 2017 LCR explored a joint venture arrangement with Silverbush. Discussions with the institutional investment market demonstrated that a joint venture arrangement such as that suggested by Silverbush would have rendered the development unviable owing to the significant effect it would have had on the cost of securing finance. <p>No need for the Development</p> <ol style="list-style-type: none"> The building has previously been refurbished. However, any refurbishment undertaken now will not alter the fundamental problems of the layout and configuration of the building. The floorplates are long, narrow and isolated, making them unsuitable for modern open plan collaborative office space and render the building unattractive and inflexible for modern occupier requirements. The addition of numerous columns interrupts the space, and when combined with the extensive corridors, any refurbished alternative layout will be inefficient and result in lower occupancy potential. Also, the Development is not just about providing additional Grade A office space – it is also about significantly improving the public realm, connectivity and environment of the Axis site. Increasing the office floorspace by over 100,000 sqm demonstrates that (1) the site can be used more efficiently and (2) the site is currently underused. The siting of the building makes it almost impossible to create a public space of the quality that is expected in modern office environments. Most of the existing occupational leases end by 2021 and, with the GPA and other occupiers seeking a new "hub" development, it is likely that most of the occupiers would leave the Axis site if it were not being redeveloped. The building's configuration and layout mean it will not be attractive to potential occupiers. New Grade A office space under construction and not committed to pre-lease is under 600,000 sq ft (some of the supply referred to in Silverbush's objection relates to consented schemes affected by HS2 and other sites facing competition from the residential and hotel sectors), which represents less than 2 years supply. As the lead in for new development exceeds 2 years, the market is facing a shortage of Grade A office space from 2020. The site is an existing office, and there is the opportunity

						<p>to intensify the office use in an area which is seeing new office development. The Development will also improve connections in the area, create a high quality public square and public realm, and result in a vastly improved environment, all of which will benefit the area generally. Indeed, the suitability of the site for office-led development is demonstrated by the Council granting planning permission for it.</p> <p>8. See response at 6. Buildings under construction that will provide Grade A office space are limited to 2 schemes: One and Two Chamberlain Square (in the Paradise Circus scheme), and Three Snowhill. These are due for completion in 2019 but the overall effect on supply is relatively limited to 770,000 sq. ft. However early pre-lets to PWC mean that the net addition to the Grade A supply as at today is circa 550,000 sq. ft. As average annual Grade A take up is approximately 275,000 sq. ft., this leaves circa 2 years' supply in the pipeline.</p> <p>Impediments to delivery – viability and funding</p> <p>9. LCR intend to deliver One and Four Axis Square as part of the first phase of the development to accommodate the GPA allocation and Highways England. Should the GPA allocation fall away, LCR would deliver a single building within the first phase for Highways England. LCR expect further public bodies to occupy later phases, alongside private sector companies with a focus on transport and engineering. LCR are advised that there is strong funder interest in the scheme.</p> <p>10. Recent deals in Birmingham suggest a strong funding appetite for Grade A offices in the city centre. LCR's market testing for funding has been very positive and has provided the confidence for LCR to proceed with the scheme.</p> <p>11. See responses at 6. and 8. above.</p> <p>Breach of Silverbush's Human Rights</p> <p>12. The Council (and the Secretary of State when making a decision to confirm the CPO) is entitled take into account the fact that Silverbush are not an operating business in occupation of the building, and that they can reinvest the consideration or compensation paid in other property.</p> <p>13. The Council has identified a number of public benefits which will result from the Development, as set out in the Statement of Case, and have decided that they justify the interference with Silverbush's rights and that there is a compelling case in the public interest for the CPO (see section 10 of the Statement of Case).</p> <p>No compelling case in the public interest</p> <p>14. See response at 13. The building does not comprise attractive affordable office space given the cost of service charges and the lack of efficiencies due to floorplate configuration and low occupation densities. These render older buildings such as the Axis less cost-effective and often unaffordable in real terms. Also, in addition to the provision of the Grade A office floorspace, the Development will significantly improve the public realm and environment of the site, will create a new public square, and will improve the connectivity of the site with other sites and destinations.</p>
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OBJ2	Western Power Distribution (West Midlands) Plc Geldards	1	Geldards Dumfries House Dumfries Place Cardiff CF10 3ZF	18 May 2018	<ol style="list-style-type: none"> 1. WPD require confirmation that their apparatus will not be acquired, and the electricity connection not adversely affected, until the Axis building has been vacated 2. The scheme does not adequately address how WPD's interest will be protected during and post construction 3. No provisions are currently made for replacement cables or overhead lines 4. WPD are concerned about being able to fulfil its statutory duties following the acquisition of its interests without protective provisions in place 	<ol style="list-style-type: none"> 1. LCR is in active discussions with the objector to establish how their assets are to be dealt with, and an appropriate asset protection agreement will be negotiated, as is standard.
OBJ3	Historic England	1 and 2	Historic England Cannon Bridge House 25 Dowgate Hill London EC4R 2YA	18 May 2018	<ol style="list-style-type: none"> 1. The Axis building does not need to be redeveloped 2. There is no certainty that the CPO will not be implemented before suitable accommodation is available and assurances should be given that the demolition of the Axis building does not occur until the alternative accommodation is ready 	<ol style="list-style-type: none"> 1. See responses 3. and 4. above. 2. LCR is in negotiations with the objector and LCR expects agreement to be reached very shortly.