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Sheffield Digital Campus go-ahead kick starts massive investment in city centre

A project worth more than £100 million to radically improve the Sheaf Street area in Sheffield is now set to become a reality following an important agreement between joint developers Scarborough Development Group and GMI, Yorkshire Forward, Sheffield City Council, English Partnerships and Sheffield One with support from Europe through the Objective 1 Programme.

The deal, signed at the end of the year, releases land between Ponds Forge and the refurbished railway station for development into the Sheffield Digital Campus - a world class business park designed to nurture and grow Sheffield's highly successful digital and creative industries.

After more than five years of planning and significant investment from Yorkshire Forward and English Partnerships to make the land available, work will now commence on the first phase of the linked 600,000 sq ft office buildings across three sites. The first building to be constructed will be a 50,000 sq ft managed office building, established to specifically encourage the growth of small and medium sized companies involved in the expanding digital industries sector. This first building will be located on land immediately in front of the bus station, close to Ponds Forge. Adjacent to this a second, speculative office building will be completed by the end of 2008.

Sir Bob Kerslake said: "This is an important step forward in regenerating the city centre and bringing new jobs to Sheffield. The Digital Campus is a key project in transforming Sheffield's economy."

Following the signing of the Development Agreement for the New Retail Quarter, also at the end of year, the Digital Campus represents the last of the seven Sheffield City Centre Masterplan projects to get underway, and will be the first major development in the Sheaf Valley following the investment made around the city's rail station.

The Campus is a significant part of a strategy to develop a competitive city centre economy. Led by Sheffield One and Yorkshire Forward, the strategy has identified the creative and digital industries as one of the key drivers for employment and economic growth for the next 20 years.

David Custance, Head of Strategic Development and Property for Yorkshire Forward said:

"Yorkshire Forward is delighted that the hard work and dedication to this project shown by all the partners has paid off and that work will start early in 2007. The renaissance of the region's key towns and cities and the development of

premises for new and growing companies working in the region's key industries are main objectives for Yorkshire Forward. This project is an excellent example of true partnership working."

"The Digital Campus project has evolved over the past 5 years since its inception within the original City Centre Masterplan, having to react to both local and national and international factors that have had both positive and negative impacts. We have been fortunate to have a developer and public sector partners on board who have been willing to see the long-term benefits of the project and worked with us to create a commercially viable proposition. The potential locked up within entrepreneurs and innovative thinkers in Sheffield is immense, and we are hugely excited at signing a deal that will finally help them release that potential for the benefit of Sheffield's economy and job prospects," said Ben Morley, Funding Manager at Sheffield One.

Despite the city's success on the world stage within the digital and creative industries, Sheffield One and the other organisations involved in boosting Sheffield's economy recognised the city's lack of adequate and appropriate office space capable of nurturing, developing and promoting the sector.

To address this shortfall in available office stock, GMI Property Company and Scarborough Development Group were selected to provide prestigious office space designed specifically for the needs of sector. Significantly, the two companies involved are led by chairmen who have enormously close links to the city – Kevin McCabe from SDG, who is also chairman of Sheffield United and Peter Gilman from GMI.

"The passion these two have for developing Sheffield's potential has been instrumental in driving the project forward and convincing all the parties involved in the project of the huge economic and social benefits it would create," said James Poskitt, Managing Director of GMI Property Company.

"The Campus covers three sites in Sheffield which will be developed in phases over the next 8 to 9 years to provide in total 600,000 sq ft of office accommodation. The opportunities stemming from the Digital Campus are enormous, but then so is the project itself. There is £8 million to be invested on land reclamation, roadwork improvements and changes around the first site and that is prior to construction of any buildings on the site."

"Works will start early in the new year, with the first phase site providing 250,000 square feet of accommodation when fully developed but the initial work will see the managed office, delivered in Autumn 2008 and the speculative office built shortly afterwards. So in just over a year, Sheffield's digital and creative cluster will have 100,000 new square feet of office designed specifically to make them flourish!" added David Wells, development director of SDG.

SDG have initially committed to preparing the whole of the Phase 1 site and the first two office buildings at a cost of over £35m. To overcome the significant site problems, SDG have successfully secured nearly £9m from the European Regional Development Fund through the South Yorkshire Objective 1 Programme and a further £1.5m from Yorkshire Forward. “Without the injection of the public sector funds the development would never have proceeded. Both Objective 1 and Yorkshire Forward have been instrumental in realizing our vision for the Digital Campus,” says David Wells.

Alison Biddulph, Programme Director at Objective 1 says, “The digital sector has been identified as a key driver to strengthen the regional economy and the Digital Campus puts in place some of the much needed physical infrastructure to allow the sector to grow. This investment is part of the £40 million that the European Commission has provided to support improvements in the city centre, not least the Station Gateway which creates a fantastic setting for this new development.”

The second phase of the project involves land adjacent to the Sheffield Hallam University buildings on Sheaf Street; this is the smallest of the three planned phases and will deliver 25,000 sq ft of offices and amenities.

The third and final phase incorporates the work already underway around the city’s rail station. The land occupied by the recently demolished Sheaf and Dyson office blocks will be home to another 250,000 sq ft of office space for the digital, creative and multimedia industries. Work on clearing this site is nearing completion, with the existing landowners, English Partnerships and Yorkshire Forward, working hard with the City Council to reclaim and prepare the land for the construction phase, to be managed by GMI Property Company and Scarborough Development Group.

“English Partnerships is extremely pleased to see the entire project has been given the go-ahead, and we are looking forward working with the developer to provide a high quality development on the Phase 3 site that the city can be proud of,” said Rob Pearson, Area Director Yorkshire.

Looking to the future economic growth of the city, Ian Bromley, Chief Executive of Creative Sheffield welcomes the news: “It is a great day for Sheffield to have this important piece of infrastructure coming on line, creating a fantastic new space for the growth of our creative and digital companies. This is the final piece of the initial City Centre Masterplan to fall into place and it paves the way for the next set of investments identified in Creative Sheffield's upcoming Economic Masterplan.”

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