

Bath & North East Somerset Council		
DECISION MAKER:	Cllr Tim Warren, Leader of the Council	
DECISION DATE:	On or after 20th January 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2992
TITLE:	Article 4 Direction over permitted development rights on the Change of Use from Office to Residential in central Bath	
WARD:	Widcombe, Abbey, Kingsmead.	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Attachment 1 - The proposed boundary of the Article 4 Direction</p> <p>Attachment 2 - Update on Article 4 Directions in other Local Planning Authorities</p>		

1 THE ISSUE

- 1.1 This report recommends making a non-immediate Article 4 Direction to restrict Permitted Development Rights (PDR) on the Change of Use from Office to Residential uses in parts of central Bath.

2 RECOMMENDATION

2.1 That Cabinet Member agrees that;

- a) Bath & North East Somerset Council makes a non-immediate Article 4 Direction under para 4(1) of the Town and Country Planning (General Permitted Development) (England) Order 2015 to withdraw permitted development rights for the Change of Use from Office (Class B1) to Residential uses (Class C3) in those parts of central Bath shown in Attachment 1 to this report;
- b) authority is delegated to the Divisional Director for Development, in conjunction with the Cabinet Member for Development and Neighbourhoods, to give notice of the Article 4 Direction in accordance with Schedule 3 of the General Permitted Development Order;
- c) The Cabinet considers whether to confirm, abandon or amend the Article 4 Direction in no less than 12 months from the notice; and

- d) any public representations made in response to the notice concerning the direction will be reported to the Cabinet for consideration.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 Until now, the Council could not charge a fee to determine planning applications on proposals formally covered by PDRs. This would have resulted in a decreased income and corresponding increase in resource requirement, assessing a change of use as a full application. However from the 17th January, the normal planning application fee will be chargeable.
- 3.2 There will also be a one off additional cost of around £3k to cover the costs of giving notice when making the order. This can be absorbed by the LDF budget.
- 3.4 A non-immediate order would reduce the risk of financial compensation from those who made a case that they were financially prejudiced by the Article 4 Direction.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 A change of use of land or buildings requires planning permission if it constitutes a material change of use as set out in the Town and Country Planning (Use Classes) Order 1987. The Government has made provision for permitted development because it considers that these types of development are acceptable and do not cause harm. Permitted development rights are set out in the Town and Country Planning (General Permitted Development) (England) Order 2015, as amended. On 31 May 2013, the Government introduced new Permitted Development Rights (PDR) to allow change from Use Class B1(a) (offices) to Use Class C3 (residential). As a result developers now only need to seek a Prior Approval.
- 4.2 The Prior Approval process requires that developers notify the Council that they propose such a change through submitting a Prior Notification Order (PNO) form. Following receipt of a PNO application the Council has 56 days to determine the application, including at least 21 days for consultation. The criteria/tests against which PNO applications are assessed are limited to flooding; contamination risks; parking or highways and noise impacts. This is a more limited range of criteria than that which the Council was applying prior to the introduction of the new PDR. PDRs do not apply to Listed Buildings.
- 4.3 LPAs have the option to withdraw PDRs through a Direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 if it is satisfied that it is expedient to do so. National Planning Practice Guidance states that an Article 4 Direction should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area, there must be justification for both its purpose and extent and the potential harm that the direction is intended to address should be clearly identified.
- 4.4 The NPPG goes on the state that there should be a particularly strong justification for the withdrawal of permitted development rights relating to cases where prior approval powers are available to control permitted development.

- 4.5 Article 4 Directions can be made by Local Planning Authorities or the Secretary of State. Local authorities opting to use such powers are required to inform the DCLG of their intention to do so. The Secretary of State has the power to modify or cancel an Article 4 Direction at any stage in the process. The Secretary of State has a reserve power over such Directions.
- 4.6 It should be noted the Government keeps the PDRs under review and amends the scope for time to time.

5 THE REPORT

- 5.1 The change of use of buildings in B1(a) office use class to C3 residential no longer requires planning permission subject to various conditions which became a Permitted Development Right (PDR). The Government's intention of removing the need for planning permission for a change of use from offices to residential was to help boost the delivery of residential accommodation by making it easier to convert "redundant, empty and underused office space into needed new homes".

Policy Context

- 5.2 The Council's planning policy framework in the adopted B&NES Local Plan seeks to implement a range of Council objectives such as meeting housing needs, economic objectives, carbon reduction and protection of the environment. In particular the B&NES Economic Strategy which sets the economic ambition for the District. This seeks to rebalance the local economy, address the over-reliance on jobs in the lower paid public sector, retail and tourism by focussing future growth in higher value key sectors, such as IT and creative industries where the area has specific strengths, facilitating an increase in average earnings. Low wages are a particular problem in the area in light of the relatively high house prices in the district.
- 5.3 For this reason Core Strategy Objective 3 states that,

"The Council's Economic Development Strategy seeks to stimulate a more productive, competitive and diversified economy across the District and promotes a higher value added economy (smart growth) where indigenous companies are retained and able to grow, other knowledge based sectors are attracted to the area and the industrial sector continues to contribute to the local economy...increasing the availability of modern office and unit space in Bath thereby enabling indigenous companies to expand and the city to better respond to external demand"

- 5.4 In order to realise this strategy, the adopted B&NES Local Plan seeks a net increase of 7,000 jobs in the city primarily focussed on a net increase of 40,000 m² of modern office and creative workspace in the Bath Central Area. This recognises the unique market attractiveness that Central Bath has for office occupiers and its capacity to attract economic growth compared with other parts of the District. The Local Plan recognised the dynamics of the office space market, including the potential impact of PDRs by allowing for the managed release of up to 20,000 m² of existing space "which is qualitatively least suitable for continued occupation". This means that the overall office space would need to grow by 60,000 m² over the plan period in order to allow for losses and deliver the increase.

- 5.5 Where PDRs do not apply, the Local Plan contains a policy approach for considering proposals for conversion of employment floorspace to other residential uses.
- 5.6 The AMR (Authority's Monitoring Report) shows that by 2017, already around 18,000 m² of office space has been subject to proposals for change of use, the majority of this in the central area of Bath. In light of the extent of these losses so early in the plan period, the Council commissioned research on the potential impact for the Economic Strategy and planning policy.

The impacts of PDRs in B&NES

- 5.7 To assess the risk and impact of further losses of office space the Council has appointed consultants (Ortus Economic Research) to undertake an analysis of the Bath Central Area. The Ortus team have significant experience in economic data modelling and analysis and have worked with a number of local authorities on the loss of office space issue. Ortus engaged further specialist advice to provide local commercial market knowledge and advice and followed a methodology they have used elsewhere to support authorities considering Article 4 Directions as well as exemptions from the original temporary arrangements. Their findings are set out in Report "The Impact of the Loss of Office Space in Central Bath". The Council's own monitoring data is set out in the B&NES Annual Monitoring Report.

Summary of Key Findings

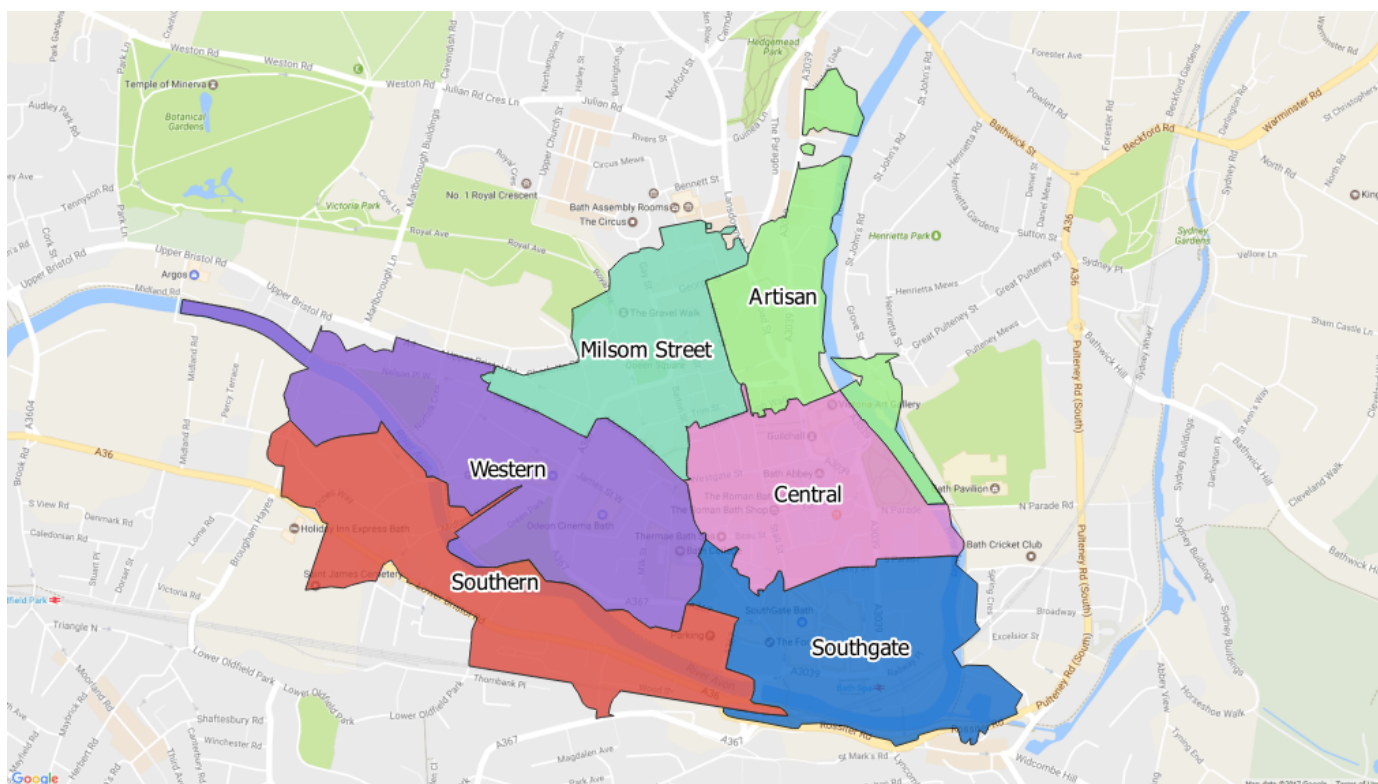
- 5.8 To assist with the analysis, the Bath Central Area as defined in the Local Plan (plus a small additional adjoining area south of the Lower Bristol Road with some important office supply) was sub-divided into six property zones, each with their own characteristics in terms of size of businesses, number of firms, type of accommodation etc - See Figure 1 below. The area is termed Bath Central Area Plus (BCAP) for the purposes of this study.

The importance of the office supply to B&NES

- 5.9 The BCAP is of considerable importance in relation to the City (and the District's) office supply. It contains 80% of B&NES' office stock.
- 5.10 In 2015, there were 825 businesses occupying B1 space within the BCAP. These firms were responsible for 7,140 jobs, turnover of £1.3bn and output of £419m¹, 30% of total employment in B&NES and 38% of the total economic output of area.
- 5.11 In terms of sectors: professional, scientific and technical activities; information and communication; public administration and defence; and financial and insurance services are the main users of B1 space.
- 5.12 Analysis of firms by size band shows that most employment is in 'large' small firms (those employing 20 to 49 staff), whereas micro firms with 1 to 4 are the most numerous. This size and type of firm often actively seek, or concentrate within Grade B, Secondary or period property which is most at risk.

¹ Output in this case is defined as Gross Value Added.

Figure 1 - BCAP Study Area Property Zones



5.13 In addition to employment and output generated by firms operating out of the BCAP, the analysis sought to capture the impact of the supply chain and spending of employees². In total businesses in the BCAP working out of B1 premises give rise to total employment of 14,160 staff and £780m in output.

The Impact of PDRs on Bath office supply

5.14 Following the introduction of PDRs, the Council received a total of 43 applications in relation to 28 separate properties in the BCAP. The applications range from modest schemes to convert small offices into single residential units, to large schemes such as those for Ernest Ireland House, Westgate Buildings, the Tramshed and Charter House each affecting 1,000 m² plus of office space.

5.15 Since 2011/2012, around 18,000 m² of net³ B1 space in Bath has been approved for conversion to other uses. This means that the entire plan period allowance for managing the loss of offices had been met in the first few years of the Plan period. Of this space, around 13,500 m² had actually been converted by April 2017.

5.16 Over half of the office buildings subject to a change of use were part or fully occupied, which means many businesses would have to relocate, possibly out of the City or District, and possibly downsize or even cease trading altogether. The inclusion of relatively modern centrally located buildings as well as listed

² These are referred to as indirect and induced effects. They are calculated using Type I and Type II multipliers.

³ This takes account of new B1 developments.

Georgian properties demonstrates that the Central Area is losing the type of office premises that the Government did not intend should be lost, i.e. buildings occupied by businesses in sought after located, attractive, and accessible locations. This is not uncommon and has been identified elsewhere – for example in Kingston-upon-Thames Town Centre, and in Winchester (see Appendix 2).

- 5.17 Prior Approval proposals affecting larger properties such as Westgate Street and the Tramshed also result in the loss of opportunities to provide affordable housing and mitigation otherwise achievable through planning obligations as these cannot be required through the PDR process.
- 5.18 Relatively few proposals have been refused (around 10%) because of the limited controls available to the Council by the prior approval process. Proposals which affect a listed building already require a listed building consent application. However, if the Listed Building consent application is acceptable, then other Local Plan policies indicate that the loss of office space will not raise any in principle planning issues since residential uses are acceptable in the City and to date the loss of office space has been in accordance with the managed reduction in office space. The most common reason for refusal was the lack of evidence to demonstrate that the proposed site was in lawful use as a B1(a) office prior to the 2013 deadline.

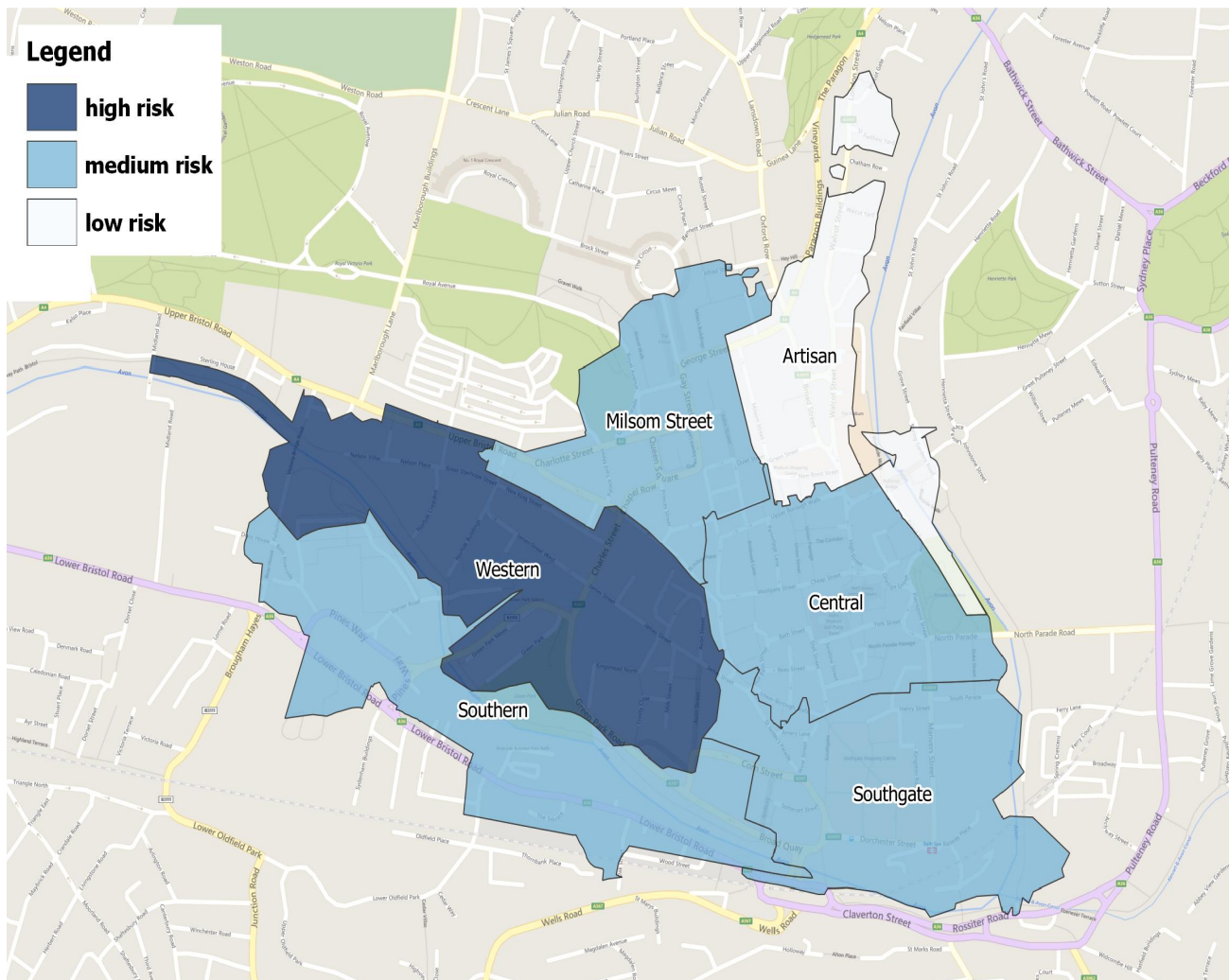
The likelihood of Conversion

- 5.19 The Ortus report assesses the likelihood of premises being converted from B1 space to residential. The principal driver of the assessment was the potential uplift in capital value arising from conversion, after taking account of development costs. The attractiveness of the area for residential development was also taken into account. The risk was highest in Western zone (97% potential uplift in values) and lowest in Artisan zone (4% uplift in values).
- 5.20 This does not mean that other areas across Bath Central Area are not at risk; the risk assessment is relative. Property in Central, Milsom Street, Southern and Southgate areas are assessed as being at medium risk, where the uplift on capital values is assessed as between 24% to 42%. However, a net uplift on values following conversion of 24% to 42% represents a very good return to a developer and an incentive to pursue the change of use. For viability purposes, 15% to 20% is often quoted as the return expected or required for a developer to bring forward a site for development, depending on their attitude to risk, and their business model which is specific to themselves.
- 5.21 There is 85,000 m² of office floorspace, 700 firms, 6,500 jobs and £381m in output generated in property zones that are at medium or high risk from the conversion of office premises to residential. This represents 88% of all B1(a) floorspace, 90% of all office space in the BCAP. These losses only take account of direct impacts.

Figure 2 - Likelihood of conversion by property zone

BCAP Zone	B1space (m ²)	Firms	Direct Employment	NNDR exposure	Risk L/M/H
Artisan	12,068	130	660	£726,785	L
Central	20,651	110	970	£1,250,946	M
Milsom Street	27,941	345	2,340	£1,900,895	M
Southern	9,720	50	1,620	£687,477	M
Southgate	17,348	80	950	£1,045,899	M
Western	9,626	110	590	£630,028	H
Total	97,354	825	7,140	£6,242,030	

Figure 3 - Risk rating of Property Zones in Central Area



Implications for the Council's Policy objectives

- 5.22 This loss of office accommodation needs to be considered in the context of the Council's objectives as set out in the Local Plan, including housing need and employment growth forecasts and policies that underpin the Local Plan.
- 5.23 PDRs were introduced by Government to help boost the supply of housing , especially by accelerating the use of underused or vacant office space. The Core Strategy makes sufficient provision to meet this housing need and the council has generously more than the required 5 years housing land supply with flexibility. House building rates in recent years have significantly improved and are now over the annual target. Furthermore PDR development provides no affordable housing.
- 5.24 Permitted developments rights can benefit for an office market if it removes secondary accommodation which is not fit for modern occupiers. This in turns leads to increase rents and in turn leads to development and quality refurbishments coming back into markets meaning the level of office accommodation improves. However if PDRs start to remove better quality accommodation from the market, and / or takes offices out of the market at a faster rate than the development market can replace, this is will lead to an unbalance market and mean that offices in Bath become uneconomical as most of the demand will look at other nearby cities.
- 5.25 Controlling these conversions in areas which are sensitive enables B&NES to manage the rate of conversions. It is important to note that even with Article 4 in place, where the council consider that conversion would be appropriate and in the interest of a balance market, it can still give consent. An Article 4 Direction just gives the Council the ability to control the office market rather than risk losing it all together.
- 5.26 Conversely, the supply of B1(a) premises in central Bath fell by around 13,500 m² between 2011 and 2017. In total some 18,000 m² of office space has been subject to proposals for change of use ie almost the entire allowance for office losses for the Local Plan period would have been realised in the first few years of the plan period. Continuance of this trend would inhibit B&NES in achieving the objectives set out in its Economic & Planning strategies. In other UAs, smaller losses relative to supply have caused sufficient concern to introduce added controls (see Appendix 1).
- 5.27 It is worth noting that in those cases, the employment provision and growth requirements benefit from alternative locations such as science and business parks nearby. BCAP does not have a comparable alternative, and the risks to Bath, and to B&NES, are considered greater as a result. Once offices or employers are lost from BCAP, there is a genuine risk that they relocate elsewhere.
- 5.28 The above data and the Ortus Report evidence highlights the risks of not protecting existing B1 premises, while seeking to develop new space, especially that identified as *Grade A* or *Grade B* if the BCAP is to remain a prime location for office employment. The Ortus report concludes, based on the findings, that imposition of one or more non-immediate Article 4 Directions would provide an

element of control in that it would reinstate the necessity to seek planning permission for change of use.

- 5.29 The Economic Strategy, as expressed through the B&NES Local Plan, seeks to address critical issues in the district. House prices are 40% higher than the national average whilst average wages are 10% lower than the national average. There is a shortage of employment space and the overall quality of office space that modern businesses demand is lacking. The ambition is to increase the overall number of jobs in B&NES by 10,300 by 2029 and by focussing on “priority sectors” where the area has particular strengths we can increase overall productivity and raise average earnings. Bath has a key role to play in this and achieving the planned quantum of office space goes to the heart of the District’s well-being. Evidence has shown that the prior approval process is preventing the realisation of these strategic aims in light of the substantial losses of office space so early in the plan period.
- 5.30 An Article 4 Direction must be accompanied by an operational planning policy to set out how the Council will operate any recovered planning controls. An appropriate policy framework is already included in the adopted Local Plan.

6 RATIONALE

- 6.1 The evidence highlights the importance of the Bath office supply to the economic health and prosperity of the area and the wellbeing of its residents. Its health is integral to the Council’s objectives in the Economic Strategy as planned for in the Local Plan. The actual and risk of potential loss of offices through PDR is significant. The implications are that this is likely to cause significant harm to the Council’s Economic Strategy as supported in the B&NES Local Plan and will inhibit the realisation of the benefits for residents.
- 6.2 A balanced and successful office market requires a critical mass, healthy level of supply and demand along with a mixture of grades of available space. Bath has a healthy level of demand and the constrained supply will be partially addressed by the development around the Quays and Pines Gate. This will increase future supply levels of Grade A accommodation, which is currently under catered for, into the City. Nevertheless, this proposed new supply has already been taken into account in the Core Strategy policy framework of need, supply and managed loss and the rate of losses of office space remains a significant risk to realisation of the Council’s planning strategy
- 6.3 The risk posed by the conversion to residential use under permitted development rights in Bath is twofold. On the one hand it takes away the lowest grade, cheaper options, but can also through values, eat into better Grade B stock, leaving to an erosion that drives demand away from the market, however it can also reduce the total stock level below the critical mass needed for a sustainable office market. This reduction in critical levels has been seen in other locations and can cause major knock on effects to other sectors, namely retail.
- 6.4 Therefore, it is concluded that the evidence supports the introduction of an Article 4 Direction over the high and medium risk parts of the BCAP (see Figure 3 above). There is particularly strong justification for the withdrawal of permitted

development rights from parts of Bath City Centre in order to protect the well-being of the District's residents. This is because they are significantly undermining a key strategic objective of the Council to boost the city's profile as a more competitive economic centre for the District and enable a net increase the supply of office space in the City centre in order to address the longstanding problems of dependence on low wage sectors with the resultant severe housing affordability problems.

- 6.4 A number of authorities have prepared such measures. The BCAP area is similar to other areas for which Article 4 Directions have removed the PDRs on office to residential. Winchester Town Centre, where the risk to office loss was recognised but is arguably lower, or proportionately less than the impact on B&NES, has been through the process. Other authorities, e.g. Oxford City, Kingston upon Thames have comparable risk within their town or city centres and have taken action to remove PDRs in those areas.
- 6.5 Where an Article 4 Direction have been introduced elsewhere, robust evidence has been required to justify them. A 'blanket' approach is not acceptable, hence the focus on the more specific geography of the BCAP area. This may require supplementary policy in the Core Strategy and Placemaking Plan but the existing Local Plan policy is likely to be sufficiently robust to fulfil this purpose.

7 OTHER OPTIONS CONSIDERED

- 7.1 In light of the above evidence the options open to the Council are;
- a) do nothing
 - b) Seek to control the loss through a non- immediate Article 4 Direction either covering the BCAP area or certain key parts of the BCAP
- 7.2 Option (a): The do-nothing option would leave the district vulnerable to continued loss of office space thereby undermining the Council's objectives as expressed in the current planning policy framework and thereby would harm the wellbeing of the district.
- 7.3 Option (b): Introducing a non-immediate Article 4 Direction would address the longer-term loss of office space and thereby avoid the problems identified in option a above. Experience elsewhere indicates that "blanket" proposals are unlikely to be successful and that the Council needs to make a convincing case based on specific geographic areas. The above evidence supports focussing the controls over the high and medium risk parts of the BCAP.
- 7.4 It is possible for the Council to introduce an Article 4 Direction with immediate effect but in limited circumstances. Immediate directions can be made in relation to specified development permitted by [Parts 1 to 4 and 11 of Schedule 2 to the General Permitted Development Order](#), where the development presents an immediate threat to local amenity or prejudices the proper planning of an area. In all cases the local planning authorities must have already begun the consultation processes towards the making a non-immediate article 4 direction.

7.5 Furthermore, an immediate Article 4 Direction could lead to the authority receiving compensation claims. Research indicates that, almost without exception, Councils have opted for a non-immediate option, with a twelve month notice period to avoid exposure to substantial future compensation claims. It should be noted that during the 12-month notice period to the Article 4 Direction being operational, there is a risk of an increase in prior approval applications coming forward.

7.6 In conclusion the Council is satisfied that it is expedient that Permitted Development Rights to convert office space to residential in parts of central Bath should be constrained by an Article 4 Direction to protect the wellbeing of the area. It is therefore recommended that a non-immediate Article 4 Direction is made under the Town and Country Planning (General Permitted Development) (England) Order 2015; that notice is given under that Order; that the decision to confirm or order or otherwise is made in no less than 12 months from making the order; and that the required consultation is undertaken during the 12 month period.

8 CONSULTATION

8.1 The Article 4 Direction will be subject to a 12 month notice period including opportunity for consultation. This will enable affected parties to respond. However, this will be shortened if it becomes apparent that there is a case for an immediate Direction. Any such change to the process would need a decision from the Local Planning Authority.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

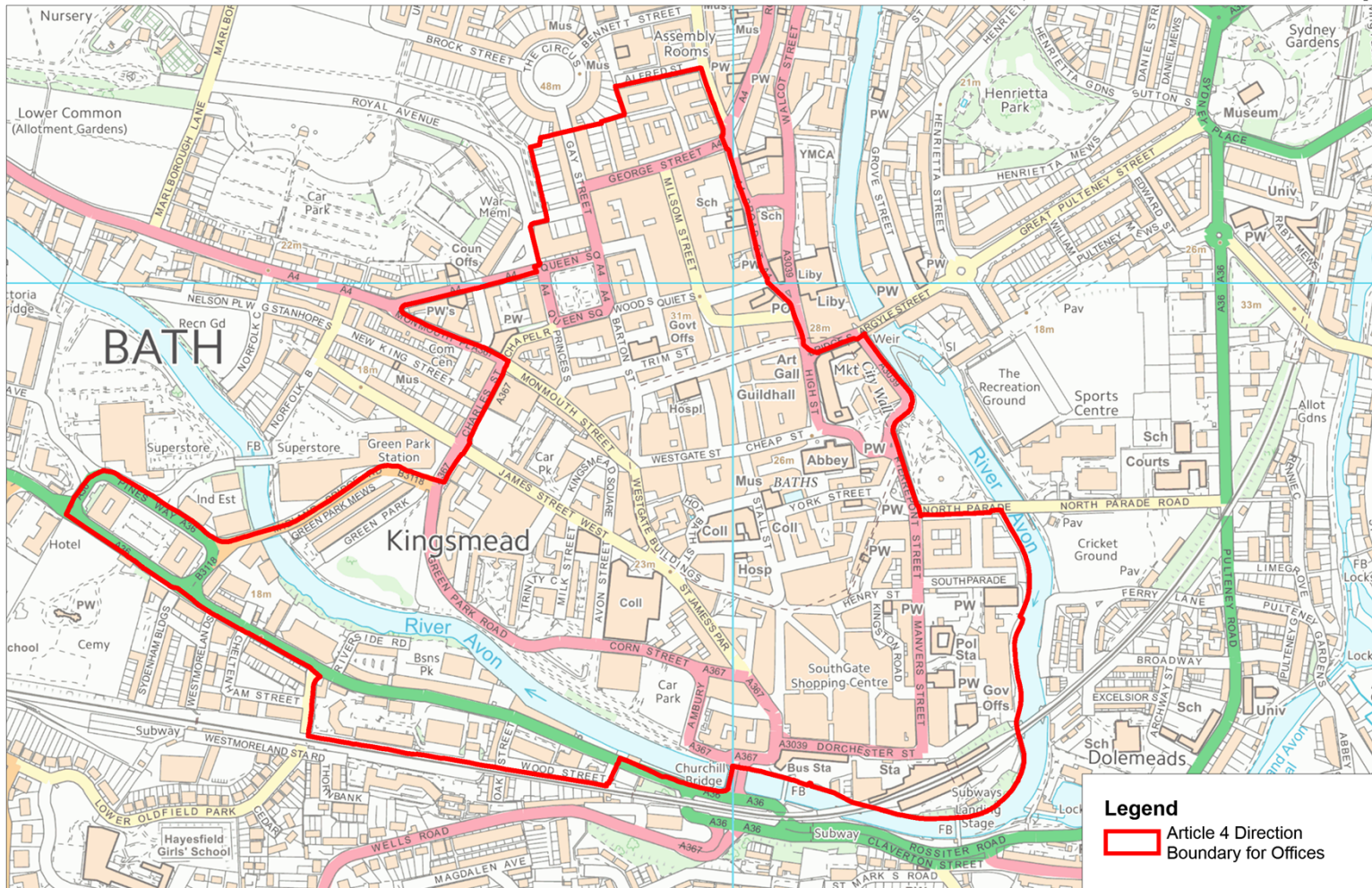
Contact person	<i>Simon de Beer 01225 477616, John Cox 01225 477294</i>
Background papers	<p><i>The Impact of the Loss of Office Space in Central Bath 2017 – Ortus Economic Research</i></p> <p><i>The Town and Country Planning (Use Classes) Order 1987</i></p> <p><i>B&NES Core Strategy 2014</i></p> <p><i>B&NES Placemaking Plan 2017</i></p> <p><i>B&NES Economic Strategy</i></p> <p><i>B&NES Authority Monitoring Report</i></p> <p><i>Risk Assessment [Exempt]</i></p>
Please contact the report author if you need to access this report in an alternative format	

Attachment 1: Proposed boundary of the Article 4 Direction to restrict Permitted Development Rights on the Change of use from office to residential in parts of central Bath

Proposed boundary of the Central Bath Article 4 Direction

Author : Planning Policy
 Date : 09/01/2018
 Scale : 1:6,500

Bath & North East
 Somerset Council



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Attachment 2 - Example A4D in other LPAs

Local Authority/ Area	Issues	Approach	Comments
<p>Oxford City</p>	<p>The City Council considered that since the introduction of PDR Oxford had lost an unacceptable number of sites in use as offices to residential use. An assessment was undertaken of the employment sites that have notified the Council that they intend to exercise their PD rights. This highlighted a growing trend towards the loss of employment sites, which includes some 'key protected employment sites', comprising both vacant and occupied premises.</p> <p>Oxford City Council, as the Local Planning Authority, consider that the potential loss of these key protected employment sites, will cause significant harm to local amenity and the proper planning of the area.</p> <p>The City Council has an adopted Core Strategy that seeks to promote economic prosperity for Oxford and supports a policy of 'managed economic growth'.</p> <p>The role played by the protected employment sites is essential to the delivery of the economic growth of the City. Their loss would undermine the Council's effectiveness in implementing this policy approach.</p>	<p>It is purposely not a blanket restriction but will only apply to the key protected sites. The Article 4 Direction maps are available to view on the City Council's website at www.oxford.gov.uk/planningpolicy.</p> <p>These key protected employment sites are considered to be an important part of Oxford's employment land supply and if lost to residential use would significantly impact on the ability of the City to contribute to economic growth.</p> <p>Other employment sites outside these specifically targeted sites are still able to enjoy the permitted development rights.</p> <p>Where a development requires any additional work to an existing building, or the building is a listed building, applications for planning permission and or listed building consent for these works will be required.</p>	<p>Made in 2015.</p> <p>40 sites, all of which are identified within Core Strategy and emerging Local Plan. They range in size from Oxford Science Park and Oxford Business Park, to individual buildings, warehouses and garages.</p> <p>Oxford benefits from a number of out-of-centre large employment sites, such as the business park, which reduces pressure on the city centre to provide a substantial proportion of its employment floorspace. Bath does not have equivalent provision which places greater importance on provision within the BCAP area.</p> <p>The significance of these key protected employment areas to Oxford's overall economic and planning strategy is,</p>

	<p>In addition the Oxford Strategic Partnership (OSP) approved the Oxford Economic Growth Strategy, which amongst other key recommendations sought to “ensure an adequate employment land supply” together with the need to “support existing businesses within the City”.</p> <p>The Key Protected Employment Sites are an essential part of the infrastructure necessary to deliver economic growth. The City Council therefore took the view that it is essential to implement an Article 4 Direction to make it necessary for the change of use of offices (B1a) to residential, on the protected employment sites, which should not be carried out unless permission is granted for it on application. Whilst the key protected employment sites represent a significant amount of Oxford’s employment land supply the approach is targeted; site specific and fully justified.</p>		<p>however, mirrored by the importance of the employment floorspace, and the role which BCAP plays relative to Bath, and the wider B&NES area. The BCAP area protection will continue to support existing businesses and maintain an adequate supply of employment opportunities.</p>
<p>Kingston upon Thames</p>	<p>The borough estimates that it has lost around 10 to 12% per cent of the office space in its area through the PDR, the equivalent of around 57,000sq m of office space to be converted to 693 residential units.</p> <p>It estimates that these conversions will displace around 3,150 local jobs.</p> <p>Particular sectors have been impacted e.g. the voluntary sector and IT. For example, it has made</p>	<p>Article 4 Direction on specific areas introduces</p> <p>The 15 specified areas account for just 5% of the Borough’s area.</p> <p>The article 4 Direction was non-immediate and confirmed in 2015. It covers all 4 town centres (Kingston, Surbiton, New Malden, Tolworth) and the Borough’s employment areas.</p>	<p>A significant proportion of the prior approval applications received are for office spaces of 1,000 and 2,500 sq m, for conversion to residential schemes of between 10 and 25 dwellings.</p> <p>These are the kind of spaces which the borough had been using to promote itself as a</p>

	<p>it more difficult for the local voluntary sector to secure suitable accommodation in the area. The introduction of permitted development rights has reduced opportunities for business development in the borough, particularly for small IT firms which the borough has been seeking to promote. One such company was required to place its office equipment into storage and to make three members of staff redundant while it sought new accommodation, owing to the landlord's desire to convert its long-standing premises into one-bedroom flats.</p>	<p>The Kingston Town Centre area is coterminous with the town centre boundary used for planning purposes.</p> <p>The majority of Prior Notification cases have been able to satisfy the risk/impact tests.</p> <p>In addition to the loss of control of this change of use, the Permitted Development Rights mean that where this change is proposed the Council cannot seek affordable housing contributions or planning obligations. By May 2014 a total of 92 potential affordable units have been 'lost' because developments have proceeded via Prior Notification rather than through planning application.</p> <p>The introduction of the Article 4 Direction now requires the submission of planning applications for change of use between office and residential, but such planning applications do not incur an application fee. However, it is unlikely that there will be a significant number of office to residential change of use planning applications, and therefore there is unlikely to be a significant effect on the balance between fee income and planning officer resource.</p>	<p>location for smaller firms in the IT sector and which have now been significantly diminished by office to residential conversions. This has had countervailing impacts on rents (which have increased as accommodation has become scarcer) and on the viability of the office market as small businesses begin to look elsewhere for more widespread and affordable accommodation.</p> <p>RB Kingston upon Thames assessed the fee income loss as easily outweighed by the recovery of planning control: both in terms of delivery of the planning strategy, and the prospect of CIL or S106 income, including affordable housing units.</p>
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		<p>The recovery of planning control for this change would allow the Council to seek, where appropriate, infrastructure contributions and affordable housing contributions from applicants for the B1 to C3 change. Thus, the Council would be able to require financial as well as in-kind contributions for the not insubstantial infrastructure needs of residential compared to business use. Planning obligation financial contributions could be significant amounts.</p>	
Winchester	<p>Information provided by Hampshire County Council, based on Valuation Office (VO) data, suggests that between 2013 March 2016, at least 2,166 sq.m of office floor space was converted to housing and a further 3,136 sq.m could be converted if the remaining approvals are implemented.</p> <p>(The actual figure could be higher, but VO data considered to be consistent).</p> <p>In context, this is about 5% of Winchester's office space converted to housing or approval to be converted. This is of particular concern as the supply of office floor space in Winchester is limited with high demand (as evidenced by Regeneris) and this trend is continuing because of</p>	<p>About 5% of Winchester's office space has been converted to housing or had approval to be converted. Office floor space in Winchester is limited with high demand, but there is higher value housing uses compared to commercial development.</p> <p>Winchester CC acknowledges that the changes is a positive outcome in terms of boosting the supply of housing in the city, consistent with the Government's aim of increasing the number of new homes.</p> <p>However the downside is that these properties are unlikely to be used again</p>	<p>Winchester City Council has announced the introduction of a non-immediate Article 4 Direction in November 2016, effective November 2017.</p> <p>The boundary is drawn tightly covering the majority of the city, specifically areas where businesses operate e.g. in standalone units, or on upper floors through conversions.</p> <p>Winchester City Council identified that around 5% of its space had been converted. This is comparable with the</p>

	<p>the higher values of housing uses compared to commercial development.</p> <p>Winchester has an attractive centre, where there is strong demand for commercial property, but investment is constrained by a shortage of office space which the Council is trying to address (e.g. through developments at Station Approach). The loss of control for local authorities resulting from the extension of PDRs was highlighted sub-regionally, but noted that it “is starkest in Guildford and Winchester town centres. The introduction of PDR means that local authorities no longer have the tools or the power that they need to manage the balance of homes and offices in line with local circumstances. There is therefore a role for the LEP to lobby for reforms to the policy which provide more flexibility and control.”</p>	<p>for business purposes. In some parts of the country PDRs were a means to bring back into use vacant or underused business premises, but in the Winchester context where there is strong demand for offices, there are comparatively few such premises.</p> <p>Action was therefore needed, and the Article 4 Direction prepared covering the city centre. Winchester City Council notes that this does not mean that office floorspace will be protected in the A4D area, merely that it is now subject to planning application process.</p>	<p>amount lost in Bath central area, as at mid 2016. In Bath, the percentage is increasing.</p> <p>In the 7 months since the announcement of an Article 4 Direction, the level of prior approval applications has remained similar to the 2013-2016 period.</p>
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