

LICENSING & PLANNING POLICY COMMITTEE
10 DECEMBER 2015

**EPSOM TOWN CENTRE OFFICES AT RISK OF CONVERSION TO
RESIDENTIAL: PROPOSED ARTICLE 4 DIRECTION**

<u>Report of the:</u>	Head of Planning and Building Control
<u>Contact:</u>	Karol Jakubczyk
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	
<u>Annexes/Appendices (attached):</u>	Annex 1: Epsom Town Centre Office Article 4 Direction Study
<u>Other available papers (not attached):</u>	Planning Policy Committee Agenda 23 October 2013 Item 5 East Street Offices Article 4 Direction Study Epsom Town Centre Office Demand Study February 2013

REPORT SUMMARY

Following the Secretary of State's decision to extend the permitted development regime relating to a change of use from office to residential it is proposed to use a highly focused Article 4 Direction to protect buildings and sites in Epsom Town Centre that have been assessed as being at risk.

There is still significant concern that this change in the permitted development regime will have a harmful impact upon the economic vitality and viability of Epsom Town Centre, particularly in relation to our existing occupied and viable office stock. There is equal concern that it will undermine our adopted strategy for the Town Centre and our ability to maintain and develop balanced sustainable communities.

The Report and accompanying Study set out the justification for introducing Article 4 Directions on specific sites and buildings in Epsom Town Centre.

RECOMMENDATION

1. The Committee agrees that the Council pursue the introduction of an Article 4 Direction for selected buildings and sites in Epsom Town Centre in order to manage proposals seeking changes of use from Class B1 (Office) to Class C3 (Residential).
2. The Committee considers serving different Article 4 Directions on three specific buildings in order to manage proposals seeking changes of use from Class A2 (Financial & Professional Services) to Class C3 (Residential).

Notes

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1 Implications for the Council's Key Priorities, Service Plans and Community Strategy

- 1.1 The Permitted Development (PD) regime is a very important component of the planning system. Development that is thereby automatically approved by Government order can have a significant effect on the Council's ability to control development and a consequent impact on the built and natural environment. The impact of such development has a bearing on many of the Council's key priorities including economic vitality, quality of life, visual appearance and sustainability.
- 1.2 The Annual Service Plan includes related planning policy objectives and an overarching objective of Economic Vitality, the achievement of which could be affected by the implementation of the proposed extended PD rights.
- 1.3 Plan E forms a key part of the Epsom & Ewell Borough Local Plan, which assists in the spatial delivery of the objectives of the Sustainable Community Strategy and the Council's Key Priorities.

2 Background

- 2.1 In May 2013 the previous government introduced changes to the PD Regime relating to changes of use from Class B1 (Office) to C3 (Residential). In response to this change in the PD Regime the Council unsuccessfully applied for an exemption for the whole of Epsom Town Centre. Our case for exemption was set out in a report to the Planning Policy Sub-Committee on 27 February 2013.
- 2.2 In response to the previous government's decision we successfully introduced Article 4 Directions, removing the right to changes of use from Class B1 (Office) to C3 (residential), on three buildings located on East Street Epsom. These were Adelphi Court, Crossways House and Bradford House. These Article 4 Directions were supported by evidence that assessed the level of risk.
- 2.3 Early this year the government indicated that they would be extending and expanding the PD Regime relating to changes of use from offices to residential uses as part of the Housing and Planning Bill. It is anticipated that the changes will be either extended until 2019 (the current changes expire in 2016), or made permanent. The government has also stated that the PD Regime will be expanded to allow for the demolition of office and erection of new residential uses without the need for planning permission (the current PD Regime only allows for conversion with minimal external alterations). We anticipate that these new changes will be made during the first quarter of 2016.

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- 2.4 Since the introduction of the changes in 2013, Epsom Town Centre has experienced a visible loss of office floorspace to new residential uses through the PD route. This has notably included viable Grade A or good quality stock, such as Rutland House, Novellus Court¹ and Charles Stuart House. Officers are aware that of interest from landowners to change the use of viable, occupied office buildings into residential accommodation. Local property agents have also expressed their concern.
- 2.5 We are concerned about the forthcoming changes to the PD regime. Further unmanaged changes of use from office to residential could have a profound impact upon not only our economic strategy for Epsom Town Centre but also its visual character and appearance. There are also significant concerns about the quality of residential accommodation that result from conversions, the absence of any affordable housing provision and potential transport impacts². Consequently, the introduction of Article 4 Directions on specific buildings and sites is recommended as an appropriate mechanism to manage change on those sites. The Planning Policy Sub-Committee originally agreed to this approach on 27 February 2013.
- 2.6 Officers have prepared a new Study that assesses the level of risk to individual office buildings and sites across Epsom Town Centre. The Study identifies those buildings and sites that merit protection through the introduction of Article 4 Directions. A copy of the Study is enclosed under Annex 1.

3 Epsom Town Centre Office to Residential Article 4 Directions

- 3.1 An Article [4] Direction removes certain types of PD Rights which landowners are normally allowed to carry out without the requirement to apply for Planning Permission. In this case we propose to remove the PD right to changes of use from Class B1 (Office) to C3 (Residential). As stated above we have already served Article 4 Directions to protect specific office buildings and we have also served them on many of our Conservation Areas removing PD rights from householders.
- 3.2 In order to remain in the spirit and intent of the government's changes to the PD regime and ensure consistency with national planning policy site specific, rather than a Town Centre wide, Article 4 Directions are proposed. These new Directions seek to protect only those buildings and sites that are the most appropriate and sustainable locations for employment/ commercial activity (either in office or other employment uses) that are assessed as being at risk from conversion to residential use.

¹ The redevelopment of this site was initially pursued through the PD route but has subsequently been converted following a planning application that sought significant external changes to the exterior of the building.

² Under the PD regime we are unable to enforce our accommodation space standards, affordable housing and parking standards policies.

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- 3.3 The Study identifies the following buildings and sites as being at risk and recommends that they be served with Article 4 Directions in order to manage proposals seeking change of use from B1 (office) use to C3 (residential):

- a) Oaks House, West Street
- b) Parkside House, Ashley Avenue
- c) The Kirkgate, Church Street
- d) The Wells, Church Street
- e) Adelphi Court, East Street
- f) Epsom Chase, Hook Road
- g) Sollis House, Hook Road
- h) Bradford House, East Street
- i) Global House, Ashley Avenue
- j) Epsom Gateway, Ashley Avenue
- k) Horizon House, Upper High Street
- l) 30 – 38 Upper High Street
- m) Emerald House, East Street
- n) Newplan House, East Street
- o) Nightingale House, East Street
- p) Eastleigh House, East Street

- 3.4 The Study also identifies the three buildings as being in A2 (financial and professional service) use. These buildings could still come forward for conversion to residential under Class M of the General Permitted Development Order 2015. However, this would be a more onerous process. Nevertheless, the Council may wish to consider the benefit of serving Article 4 Directions on these three buildings:

- a) Job Centre, East Street
- b) Glen House, East Street
- c) 69 – 71 East Street

- 3.5 A map identifying all of the above sites is included as part of the Study under Annex 1.

4 Financial and Manpower Implications

- 4.1 The resourcing of the current Local Plan work programme was approved by the Licensing and Planning Policy Committee in September 2014. That work programme did not factor in any additional work required to safeguard our employment land from expanded changes to the PD Regime. Consequently, some adjustment in our priorities may be necessary.
- 4.2 Should the concerns set out above be borne out we may find ourselves in a situation where the increase in resident population is not matched by Community Infrastructure Levy contributions. This situation may be partially tempered through increases in revenue from Council Tax and New Homes Bonus.

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- 4.3 The changes to the PD Regime have not resulted in reduced workloads for the Council's Development Management Team. The Prior Approval regime and the fact that external alterations to a building still require permission mean that there will still be work required in assessing proposals.
- 4.4 The introduction of the Article 4 Direction will ensure that an application comes forward as it did previously. Planning applications that result from the introduction of the Article 4 Direction will therefore be absorbed within current staffing levels and workloads.

5 Equalities and Other Legal Implications

- 5.1 In order to implement the Article 4 Direction we will need to follow a formal process, which will involve consultation with all landowners affected by the Direction.

6 Sustainability Policy and Community Safety Implications

- 6.1 Safeguarding our portfolio of employment land will contribute towards delivering the Council's objectives for maintaining and enhancing the Borough as a sustainable place to live, work and visit.
- 6.2 Both the Core Strategy's and Plan E's policies for employment uses and Epsom Town Centre have been subject to sustainability appraisal as an integral part of the Local Plan process. These sustainability appraisals have been subject to public consultation.
- 6.3 There are no significant Community Safety considerations.

7 Partnerships

- 7.1 No specific considerations.

8 Risk Assessment

- 8.1 The changes to the PD Regime place a risk on our ability to deliver our economic and Town Centre strategies. Other significant risks were set out in the reports to the previous Council Committees and include: inappropriate sites coming forward for housing, inability to secure any affordable housing and difficulties in securing contributions through the Community Infrastructure Levy.

9 Conclusion and Recommendations

- 9.1 The Committee are asked to agree that the Council pursue the introduction of Article 4 Directions on specific buildings and sites (as recommended by the accompanying Study) in Epsom Town Centre.

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- 9.2 The Committee considers serving different Article 4 Directions on three specific buildings in order to manage proposals seeking changes of use from Class A2 (Financial & Professional Services) to Class C3 (Residential).

WARD(S) AFFECTED: All