

**LICENSING & PLANNING POLICY COMMITTEE
18 FEBRUARY 2016**

**EPSOM TOWN CENTRE OFFICES AT RISK OF CONVERSION TO
RESIDENTIAL: CONFIRMATION OF ARTICLE 4 DIRECTIONS**

<u>Report of the:</u>	Head of Place Development
<u>Contact:</u>	Karol Jakubczyk
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
<u>Annexes/Appendices (attached):</u>	Annexe 1: Schedule of Consultation Responses Annexes 2 and 3: Letters of Support Annexe 4: Epsom Town Centre Office Article 4 Direction Study
<u>Other available papers (not attached):</u>	Licensing & Planning Policy Committee Agenda 16 December 2015

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 series of highly focused Article 4 Directions to protect buildings and sites in Epsom Town Centre that have been assessed as being at risk.

This process included an initial consultation period that provided interested parties with an opportunity to make their views known to the Council. This Report provides an overview of the responses received and seeks the confirmation of the Article 4 Directions.

RECOMMENDATION

1. The Committee considers the responses received and agrees to the immediate confirmation of the Article 4 Directions relating to buildings and sites in Class B1 (Office) use.
2. The Committee considers the response received in respect of the Job Centre, East Street and either agree to:
 - a) immediate confirmation of the Article 4 Directions relating to the three specific buildings in Class A2 (Financial & Professional Services) use; or
 - b) allow these three Directions to lapse (after a six month period – 28 June 2016).

Notes

LICENSING & PLANNING POLICY COMMITTEE

18 FEBRUARY 2016

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 negative effect on the Council's ability to control development and a consequent similar 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 Corporate Plan includes related planning policy objectives and an overarching objective of Economic Vitality, the achievement of which could be adversely 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 to refuse our application for exemption 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. These initial three Directions were confirmed by the Council during 2013.
- 2.3 During the first quarter of 2015, 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).

LICENSING & PLANNING POLICY COMMITTEE

18 FEBRUARY 2016

- 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 good quality stock, such as Rutland House, Novellus Court and Charles Stuart House. Officers are aware of interest from landowners to change the use of other viable, occupied office buildings into residential accommodation. Local property agents have also expressed their concern about loss of office stock to residential uses.
- 2.5 On 16 December 2015 the Licensing & Planning Policy Committee agreed to the introduction of a series of focused Article 4 Directions on specific buildings and sites within Epsom Town Centre (as defined by the Plan E Epsom Town Centre Area Action Plan). This approach provides us with a mechanism to manage change on those sites at greatest risk from the changes in the PD regime. The Study produced in support of the new Article 4 Directions is included under Annex 4.
- 2.6 Following the Committee's decision the Article 4 Directions was served on 22 December 2015. This was followed by a 21 day consultation period during which interested parties could make their views known to the Council. The consultation period ended on Tuesday 12 January 2016.

3 Consultation Responses

- 3.1 During the 21 day consultation period we received responses relating to seven of the nineteen Article 4 Directions. These are set out, alongside Officer's comments and conclusions (the latter in italicised text) under Annex 1.
- 3.2 All seven responses objected to the serving of the Article 4 Directions on the specific buildings in question. A common thread appearing in most of the objections was that the change of use of office buildings to residential accommodation through the permitted development regime is justified on the grounds of housing need. Given our performance in accommodating new housing growth and the current levels of housing land supply this argument does not carry much weight.
- 3.3 Given the number of objections from landowners of viable and occupied office buildings (all seven), the results of the consultation process suggest that there is a genuine risk of unmanaged loss of our viable and occupied office stock. On that basis Officers conclude that the Borough Council is entirely justified in introducing focussed Article 4 Directions as a legitimate mechanism to manage the use of viable and occupied office buildings.
- 3.4 The objection from the new owners of the Job Centre merits further consideration. Specifically their response sets out the existing constraints that make the change of use of this building difficult. Their response also identifies the general constraints to PD changes of use involving A2 (Financial and Professional Services) uses. In conclusion, Officers suggest that Members may wish to reconsider the necessity of some of the Article 4 Directions relating to buildings in A2 use.

LICENSING & PLANNING POLICY COMMITTEE

18 FEBRUARY 2016

- 3.5 We were also contacted by the National Planning Casework Unit on behalf of the Secretary of State for Communities and Local Government. They requested further information from the Council to justify the introduction of the Article 4 Directions within the context of national planning policy guidance. Officers prepared a comprehensive statement of case, clearly setting out the reasons and justification for the Article 4 Directions, which was submitted to National Planning Casework Unit for consideration by the Secretary of State. We also included the letters supporting our approach, received from the Coast to Capital Local Enterprise Partnership and the Gatwick Diamond Initiative. These are included under Annex 2.
- 3.6 The Secretary of State has yet to respond. Officers will keep the Committee informed of any further developments and their likely implications for the Epsom Town Centre Article 4 Directions.

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 has been 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, although it is noted that any loss in existing Business Rates revenue will not be made good by replacement Council Tax receipts.
- 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 currently still require permission mean that there will still be work required in assessing future proposals.
- 4.4 The introduction of the new Article 4 Directions will ensure that planning applications come forward as previously. There will be consequent increase in application numbers.

5 Equalities and Other Legal Implications

- 5.1 The confirmation and implementation of the Article 4 Directions follow a formal process.
- 5.2 There is a possible risk that the landowners affected by the Article 4 Directions could make compensation claims. Given the Council's long standing vision and strategy for Epsom Centre, employment land in general, and our flexible approach towards mixed-use proposals such claims would not be considered to be justifiable.

LICENSING & PLANNING POLICY COMMITTEE
18 FEBRUARY 2016

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 at risk 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 consider the responses received and agree to the immediate confirmation of the Article 4 Directions relating to:
- 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
- 9.2 The Committee are asked to consider the response received from the new owners of the Job Centre and determine whether there is merit in confirming the Article 4 Directions on the following buildings:
- a) Job Centre, East Street
 - b) Glen House, East Street
 - c) 69 – 71 East Street

WARD(S) AFFECTED: All