

Decision Maker: **DEVELOPMENT CONTROL COMMITTEE**

Date: **Tuesday 9 April 2013**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **PROPOSED PERMITTED DEVELOPMENT RIGHTS FOR
CHANGE OF USE FROM COMMERCIAL TO RESIDENTIAL:
RESPONSE TO GOVERNMENT REQUEST FOR EXEMPTIONS**

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Chief Officer: Deputy Chief Planner

Ward: (All Wards);

1. Reason for report

This report seeks Development Control Committee's endorsement of Appendix A as the Council's submission to the Department of Communities and Local Government (DCLG), regarding the exemption of specific areas of the Borough from the proposed new rules which would allow offices to convert to homes without the need for planning permission. The contents of Appendix A were submitted by officers in February 2013 in order to meet the DCLG deadline for replies.

2. **RECOMMENDATION(S)**

Endorse Appendix A as the Council's submission to DCLG.

Corporate Policy

1. Policy Status: New Policy
 2. BBB Priority: Quality Environment, Vibrant, Thriving Town Centres
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Financial

1. Cost of proposal: It is not possible to quantify the financial impact of the proposed changes at this moment in time
 2. Ongoing costs: Cannot be quantified at this moment in time
 3. Budget head/performance centre: Planning
 4. Total current budget for this head: £2.589m
 5. Source of funding: Existing revenue budget for 2013/14
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Staff

1. Number of staff (current and additional): 64ftes
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance
 2. Call-in: Not Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Whole Borough population
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

Background

- 3.1 A consultation on relaxing change of use rules for commercial properties to residential use was initially held in April 2011. The Council submitted a response to this consultation opposing the proposed changes and this response was reported to the Development Control Committee on 30th June 2011 (Item 7, Report No.DRR11/00057). Following the consultation, no further action was taken by the Government on the proposed Permitted Development (PD) changes.
- 3.2 On the 24th January 2013, these proposals were revisited in the Secretary of State for Communities and Local Government's written statement to Parliament which confirmed that PD rights enabling a change of use from office to residential use will be introduced after a consultation of local authorities on local exemptions. The proposals will be in place by Spring 2013 for a period of three years at which point the PD changes will be reviewed.
- 3.3 Local Planning Authorities were given the opportunity to seek a local exemption for specific parts of their locality where it could be justified on economic grounds. It was made clear that exemptions will only be granted in exceptional circumstances, where local authorities demonstrate clearly that the new rights in a particular area will lead to substantial adverse economic consequences.

Request for Exemptions

- 3.4 Local Planning Authorities were given until the 22nd February to respond; therefore a measured response was drawn up by officers in consultation with the Chairman of the Development Control Committee prior to submission.
- 3.5 The London Borough of Bromley seeks exemption for parts of the Borough under the grounds of exceptional circumstances criteria (b) "substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring".
- 3.6 The following areas are sought for exemption:
- Bromley Town Centre
 - Biggin Hill Strategic Outer London Development Centre
 - Cray Business Corridor – the designated Business Areas in the Crays (and also Strategic Industrial Location designation in the London Plan)
 - Other Designated Business Areas (those designated in the Development Plan)
- 3.7 Further details on the rationale behind the specific areas and the supporting evidence are available in Appendix A. In essence, the new PD rights will have significant implications for the Borough, impacting on its ability to strategically plan and manage the supply of employment land that is essential to the local economy and the objectives of sustainable development. The existing policy framework and emerging Local Plan support the economic growth of the Borough through a plan-led approach. Progress in realising these policies will be adversely impacted by the new PD changes.
- 3.8 The Greater London Authority has responded to DCLG outlining strong concerns over the proposals and has highlighted the potential negative economic impacts pan-London. All but three London Boroughs have submitted requests for specific exemptions in their localities.

3.9 At the time of writing, DCLG are assessing the exemption cases; it is anticipated an announcement will be made in the coming weeks outlining the areas that have qualified for exemption. Members will be kept informed of the outcome.

4. POLICY IMPLICATIONS

4.1 The proposed PD changes will have an impact on the preparation of the Local Plan, particularly around the provision of office floorspace and the provision of supporting infrastructure to support the new homes. The outcome of the submission will need to be factored into the emerging Local Plan.

4.2 The London Plan identifies Bromley as a ‘restricted borough’ in terms of the loss of industrial land, and the saved UDP policies see the broad protection of commercial floorspace with Business Area designation providing the greatest protection. The evidence base for the emerging Local Plan shows a continuing demand for offices in line with GLA forecasts.

5. FINANCIAL IMPLICATIONS

5.1 From April 2013, income from existing business rates will be retained by local authorities along with 30% of any additional business rates income. The changes to the retention of business rates creates a financial incentive for the Council to plan for economic growth; this will be adversely affected by the new PD rights and will impact on the Council’s ability to secure future financial income from business rate growth.

5.2 Although there is a potential to increase income through New Homes Bonus receipts as a result of the new dwellings created by the legislation, it is not possible to quantify the amount as it depends on the scale of future development and the impact of the changes to the formula grant.

Non-Applicable Sections:	Legal, Personnel.
Background Documents: (Access via Contact Officer)	<ul style="list-style-type: none"> - Report No.DRR11/00057 Relaxation of Planning Rules for Change of Use from Commercial to Residential: Response to Government Consultation. - Letter to Chief Planning Officers 24th January 2013 from Steve Quartermain (Chief Planner, DCLG). - Economic Development and Employment Land Study, 2010, GVA Grimley. - Market Demand and Feasibility Report, 2009, GVA Grimley. - Retail, Office, Industry and Leisure Study, 2012, DTZ. - Bromley Town Centre AAP, 2010. - Stimulating the Economy Study (GL Hearn Study) 2013.