

Portfolio Holder Report: Sevenoaks District Council's case for a partial exemption from Permitted Development rights for a change from B1(a) to C3

Summary

The Government has announced that it proposes to introduce a change to the General Permitted Development Order (GPDO) to allow a change from Use Class B1(a) (offices) to C3 (dwellings) for a three year period from Spring 2013. SDC is able to seek an exemption from these permitted development rights for specific parts of the District, subject to them meeting very specific criteria set out by the Government related to the economic impact on the District. The proposed case, set out below and summarised in this covering report, argues for an exemption for a number of the sites currently protected in employment use by the Saved Policies of the Sevenoaks District Local Plan and/or proposed for protection by the emerging Allocations and Development Management Plan.

Recommendation

It is recommended that the proposed case for a partial exemption from the Permitted Development rights change to allow a change of use from B1(a) to C3 is sent to the Government before the 22 February 2013 deadline.

Background

The Government previously consulted on a proposal to allow the change of use from commercial to residential development through a relaxation of permitted development rights in April 2011. SDC's response to the previous consultation suggested that the approach was a 'blunt instrument' that would increase the supply of housing but would be to the detriment of balanced and sustainable communities with viable local economies.

The Government now proposes to allow a change of use from offices (Use Class B1a) to residential (Use Class C3) under permitted development rights from Spring 2011. The new rights will initially be time-limited for a period of three years. The Government will consider towards the end of that period whether they should be extended indefinitely. The new rights will be accompanied by a tightly drawn prior approval process which will cover significant transport and highway impacts, and development in areas of high flood risk, land contamination and safety hazard zones.

The Government has also announced that local authorities will be able to apply for exemptions from the change to permitted development rights for specific parts of their areas. However the Chief Planning Officer's letter of 24 January 2013 is clear that exemptions will only be granted in exceptional circumstances. It states that an exemption will be granted where it will:

- a) lead to the loss of a nationally significant area of economic activity; or
- b) substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring.

In assessing cases made under point (b), the Chief Planning Officer's letter states that CLG will take into account:

- the scale of the impact in absolute terms;
- the significance of the adverse impact at the level of the local authority or wider;
- the degree to which there is likely to be a strategic and long-term adverse economic impact; and
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact.

Local authorities have until 22 February 2013 to make their cases for exemptions. It is not clear whether another opportunity will be offered after this.

Summary of the Proposed Case

The full version of the Council's case is set out from page 4 of this document.

It is considered that the differences in value between offices and residential development, which provide a significant incentive for landowners to bring forward conversions, suggest that a substantial proportion of the office floorspace in the District could be lost. Of the 144,900m² of office floorspace that the Updated Forecasts for Employment Land suggests is currently provided in the District, providing exemptions for the following sites would ensure that approximately 108,000 (75%) of that floorspace would need to be considered under the Council's flexible, and NPPF compliant policies, on retention of employment land should residential development be proposed on them.

1. Becket House at Vestry Estate, Sevenoaks
2. BT Building, Sevenoaks
3. High Street, Sevenoaks
4. London Road, Sevenoaks
5. Tubs Hill House, Sevenoaks
6. Lime Tree Walk, Sevenoaks
7. Horizon House, Swanley
8. Media House, Swanley
9. White Oak Square at The Technology Centre, Swanley
10. Fort Halstead, Halstead
11. Crown Inn at Westerham Trading Centre

Sites have been considered for exemption if they are currently protected in the Local Plan, proposed for protection in the emerging Allocations and Development Management

Plan and/or proposed for mixed use development that may be affected by the change in permitted development rights. Sites have been included where they include a significant amount of office floorspace that is not related to or surrounded by other employment uses (i.e. an office in a warehouse building). This is due to the likely limited attractiveness of converting offices within industrial/warehouse buildings or estates to residential use. Some sites are not proposed for exemption where it is not considered possible to prove that the loss of the site would have 'substantial adverse economic consequences at the local authority level'.

The Council considers that the loss of a substantial proportion of office floorspace in the District will severely limit the ability of stakeholders to bring about economic growth. This may lead to increasing local unemployment and increasing out-commuting. The provision of local employment opportunities, balanced with out-commuting, is considered fundamental to sustainable development in the District.

Sevenoaks District Council's submission to CLG for a partial exemption from Permitted Development rights for a change from B1(a) to C3

1. Executive Summary

This document forms Sevenoaks District Council's (SDC) case for an exemption to the proposed change to permitted development rights to allow a change from offices (B1a) to residential (C3). The document sets out the background to and justification for SDC's case and identifies the sites that it wishes to see the exemption apply to.

SDC seeks an exemption for 11 sites on the basis that the loss of offices would lead to 'substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring' (Government's criterion (b) for exemptions). More information on the sites proposed for exemption is set out in section 9. The sites proposed for exemption in this document have been selected following a critical assessment of existing and/or proposed employment sites in the District (more information on this is set out in section 8).

It is considered that the differences in property value between offices and residential development, which provide a significant incentive for landowners to bring forward conversions, suggest that a substantial proportion of the office floorspace in the District could be lost (more information on this is set out in section 7). Of the 144,900m² of office floorspace that the Council's Updated Forecasts for Employment Land document suggests is currently provided in the District, providing exemptions for the sites proposed would ensure that approximately 108,000 (75%) of that floorspace (see section 5) would need to be considered under the Council's flexible, and NPPF compliant policies, on retention of employment land should residential development be proposed on them (see section 6).

A substantial change in the profitability of office developments would need to occur before it is likely that the Council will see new offices coming forward to replace any lost as a result of the permitted development rights changes, either as a result of conversions or new builds (see section 7). It will be very difficult to replace the office space expected to be lost in the short or long term as a result of the high level planning constraints, including 93% Green Belt coverage, that exist in Sevenoaks District (see section 4). The impact of this will be that the Council will be unable to provide sufficient office floorspace to meet the forecast requirements of the local economy and meet the economic objectives of the NPPF without conflicting key NPPF policies on the protection of the Green Belt.

The Council considers that the loss of a substantial proportion of office floorspace in the District will severely limit the ability of stakeholders to bring about economic growth. The businesses that have been identified in the office buildings proposed for exemption contribute at least £109.3 million to the economic output of the area (GVA), as a

conservative estimate, and over approximately 2,700 jobs (see section 9). The permanent loss of these sites would seriously undermine the Council's ability to be able to attract inward investment and grow businesses within the District. This is likely to lead to increasing local unemployment and increasing out-commuting. The provision of local employment opportunities, balanced with out-commuting, is considered fundamental to sustainable development in the District.

Section 9 of this document sets out the Council's case against the assessment criteria for exemptions set out by Government.

As well as the sound planning arguments that the Council considers exist to justify these exemptions, it also considers that the loss of office floorspace would lead to substantial reductions in business rate revenues.

2. Background

The Government previously consulted on a proposal to allow the change of use from commercial to residential development through a relaxation of permitted development rights in April 2011. In order that it was able to represent the views of the local business community in responding to the April 2011 consultation, Sevenoaks District Council (SDC) consulted the local Federation of Small Businesses (FSB). The local FSB was concerned that the proposal would threaten the supply of commercial premises and increase commercial rents at a time of economic difficulty and it urged the Government to consider alternative initiatives to kick start housing supply, rather than reducing the supply of land available for business growth. A copy of the local FSB's letter was attached to SDC's response to that consultation and is attached again for information (appendix C). SDC's response to the previous consultation suggested that the approach was a 'blunt instrument' that would increase the supply of housing but would be to the detriment of balanced and sustainable communities with viable local economies.

It is noted that the Government now proposes to allow a change of use from offices (Use Class B1a) to residential (Use Class C3) under permitted development rights from Spring 2013. The new rights will initially be time-limited for a period of three years, with the Government considering towards the end of that period whether they should be extended indefinitely. It is understood that whilst the rights to change the use of buildings will be time limited; changes that occur will be permanent.

3. Exemption criteria

The Chief Planning Officer's letter of 24 January 2013 states that an exemption from the change in permitted development rights will be granted where it will:

- a) lead to the loss of a nationally significant area of economic activity; or

- b) substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring.

SDC's case is that an exemption should be granted in the context of criterion (b). Section 10 of this document identifies how the exemptions proposed meet assessment criteria set out in the Chief Planning Officer's letter:

- the scale of the impact in absolute terms;
- the significance of the adverse impact at the level of the local authority or wider;
- the degree to which there is likely to be a strategic and long-term adverse economic impact; and
- whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact.

4. Sevenoaks District

Sevenoaks is a large District lying to the south east of London. The proximity to Central London means that there are high levels of commuting, particularly by train. The 2001 Census indicated that 16% of those in employment commute by train to work compared with fewer than 6% in the South East as a whole. This figure for Sevenoaks District has risen to 19.9%

<http://www.neighbourhood.statistics.gov.uk/dissemination/LeadTableView.do?a=3&b=6275230&c=sevenoaks&d=13&e=7&g=6438008&i=1001x1003x1004&m=0&r=1&s=1360856411360&enc=1&dsFamilyId=2567>).

The District is subject to high level planning constraints, with 93% designated as Green Belt and 60% within either the Kent Downs or High Weald Areas of Outstanding Natural Beauty. These constraints, and those in urban areas such as Conservation Areas and areas of open space, lead to significant development pressures.

House prices in Sevenoaks are significantly higher (approx. £448,000 in 3rd Quarter of 2012) than the national (£250,000), regional (£292,000) and county (£256,000) averages and are more closely aligned with the London average (£461,000).

The overall impression of affluence in Sevenoaks District masks local pockets of urban and rural deprivation. Swanley St Mary's is within the top 25% most deprived wards in the Country. Swanley St Mary's and Swanley White Oak have JSA claimant rates above the South-East and National average (Swanley St Mary's- 3.7% and Swanley White Oak- 3.9%). There are various Lower Super Output Areas (LSOAs) which are within 20% most deprived in England according to specific economic related indices (see appendix A).

5. Economic Forecasts and Employment land provision in Sevenoaks District

Gross Value Added is a local measure of output i.e. the value of the goods and services produced in the local economy. GVA is used to indicate the economic well-being of an area. The projects of GVA and output below have been estimated using the Kent County Council Economic Forecasting Model.

2000 - 1,337 (£mil)

2025 - 2,376 (£mil)

The current GVA for Sevenoaks District is 1,791 (£mil). This is one of the lowest GVA's in the County. It is also considerably lower than SDC's West Kent partners in Tonbridge and Malling (2,385) and Tunbridge Wells (2,044). SDC considers that this and the growth forecasts indicate that there are opportunities to grow the local economy, in accordance with Government ambitions. Given the spread of sectors that businesses within the District are engaged in (see appendix B), B1a space is critical to the current and forecast GVA and the provision of high quality jobs in the District. Losing important B1a office units within the District will seriously impact on GVA output.

[Updated Forecasts for employment land](#) required to meet demands of the economy in Sevenoaks District over the period to 2026 were prepared by independent consultants in 2011. This updated the forecasts included in the Council's [Employment Land Review](#) (2007). The 2011 Updated Forecasts document estimates that Sevenoaks District had a supply of approximately 144,900 sq m of office floorspace in 2011. It also estimates that approximately 50,000 sq m and 7,200 sq m of this space, approximately half, was located at Fort Halstead and Powder Mills, Leigh. The future of both of these sites is currently uncertain, following the withdrawal of GlaxoSmithKline from the Powder Mills site in 2010 and the announced withdrawal of Defence Science and Technology Laboratory (DSTL) from Fort Halstead from 2015.

The Updated Forecasts for the amount of employment land required in the District in both documents sought to take a long term view of what would be required to meet demands throughout future economic cycles on the basis of past cycles. The 2011 forecasts show a need to maintain, and slightly increase (by approximately 4500 sq m under the medium scenario), office capacity to meet the demands of the economy to 2026. Along with other factors noted in this document, this is considered to constitute a sound and up-to-date evidence base to support the Council's case that there is an overwhelming need to exempt certain employment sites from the ability to be converted to dwellings without further consideration of the principle through the planning system. Following the withdrawal of GSK from the Powder Mills site and the announced withdrawal of DSTL from Fort Halstead, the loss of a significant proportion of the remaining office supply could have a disastrous impact on the District's economy.

The 2011 Updated Forecasts document also notes the importance of people engaged in economic activity in rural areas of Kent and Sevenoaks District. The majority of those in Sevenoaks District engage in manufacturing or financial service sectors, with 59% accommodated in buildings of less than 90 sq m. This makes it difficult to identify the premises that constitute the supply of this employment land and difficult to make a case for an exemption from the proposed changes to permitted development rights. The vulnerability of these sites adds further weight to the need to protect larger concentrations of accessible offices that can be identified and made exempt from the permitted development rights.

The Local Economic Partnership supports Sevenoaks District Council's case for an exemption from these permitted development rights. A copy of the letter in support is set out in appendix C.

6. Local Plan policies

SDC adopted its LDF Core Strategy in February 2011, following an independent Inspector finding the Plan sound. The examination of the Core Strategy specifically considered 'whether the plan makes appropriate provision for employment having regard to the needs of the District'. It was found that the aim of providing local employment opportunities to limit the over-dependence of the local economy on commuting was a sound approach and that existing high quality employment sites should be protected.

Policy SP8 of the Core Strategy states:

Sites used for business purposes will be retained in business use unless it can be demonstrated that there is no reasonable prospect of their take up or continued use for business purposes during the Core Strategy period.

This is considered to accord with para 22 of the NPPF, which requires alternative uses on sites to be considered where there is no reasonable prospect of a site being used for the allocated employment use. It is also considered critical to the Council being able to pursue the economic aspect of sustainable development, as clearly set out in para 7 of the NPPF.

SDC is currently preparing an Allocations and Development Management Plan, which it expects to be in a position to submit for examination in early Summer 2013. Policy EMP1 of the Plan identifies the sites that the Council proposes to allocate for protection in accordance with Core Strategy Policy SP8. The identification of sites is subject to a 0.2ha threshold. It is also proposed in the Allocations and Development Management Plan that a less stringent test should apply to smaller employment sites. This would require them to be marketed and found not to be in demand for a 6 month period.

On the basis of these policies, offering an exemption to employment sites in the District will not, therefore, lead to sites being inflexibly held in employment use. The exemption would, however, allow the Council to assess this on a site by site basis through the planning process, which would have the significant local benefit of allowing the Council to seek to secure affordable housing through the grant of planning permission. The Council's proposals for sites to be protected in accordance with Core Strategy Policy SP8 will be subject to an independent examination, allowing land owners the opportunity to make their case for release of the sites for another use to an independent Inspector.

SDC's emerging Allocations and Development Management Plan sets out how it can meet its housing targets without the need to lose key employment sites. Whilst the Council's approach is that additional sustainable housing development above this target should be positively considered, it would do little to tackle affordability issues, if delivered through a change of use that is not subject to the Council's affordable housing policy. The Council may find that developers focus on delivering new dwellings through conversions of offices rather than new builds to circumvent the requirement for affordable housing. Given the relatively limited proportion of potential new build dwellings of the total housing stock, it is highly likely that the prices of new dwellings will be based on existing values rather than a supply – demand relationship for new dwellings. Therefore, it does not follow that an increase in dwelling completions will lead to greater affordability of market housing.

7. Land values and development viability in Sevenoaks District

The Council has published a Community Infrastructure Levy Charging Schedule Viability Assessment. It concludes that residential development across the District would remain viable with a CIL Charge and the need to make provision for affordable housing. It also concludes that, even before rates of CIL have been applied, offices produce a negative Residual Land Value on the basis of local rental values and yields.

The assessment in the following section indicates clearly that on the majority of existing office sites considered there would be a significant financial incentive to convert offices to dwellings as a result of the differences between Gross Development Values per m² in different parts of the District for these two uses.

The CIL Viability Assessment indicates that significant levels of new office development in the District are highly unlikely to come forward in the foreseeable future. A substantial change in the profitability of office developments would need to occur before it is likely that the Council will see new offices coming forward to replace any lost as a result of the permitted development rights changes, either as a result of conversions or new builds.

Whilst a return to stable economic growth and reducing unemployment may be expected to increase competition for office space and increase rental values, and, therefore, Gross Development Values, it may also be expected that this would result in increased

confidence in the housing market and a resultant increase in house prices, thus maintaining the value gap between these uses. Any increase in office rents that may result from a reduction in supply may reduce this value gap. However, this is contingent upon businesses being able to afford these increases. An increase in rents could lead to businesses relocating outside of the District to areas with more affordable office rents, where it is less financially attractive to convert them to residential, with a detrimental impact on the District's economy.

It is also not considered likely that the increase in housing supply that may result from these permitted development rights changes will lead to a significant reduction in house prices that will reduce this value gap between residential and office developments. SDC would suggest that the District's location and fast and frequent trains to London are much more significant drivers for relatively high house prices. The impact of the District's proximity to London on house prices is identified in the West Kent Strategic Housing Market Assessment. There is further evidence for this in the gross weekly earnings for those resident in the District. This currently stands at £582 per week, which is far higher than both the Kent County Council (£538.80) and Great Britain (£508.00) averages. This number is also far higher than the earnings for those who currently work within the District who earn an average of £512.00 per week.

Whilst the Council would argue that the proposed PD rights changes would do little to make dwellings in Sevenoaks District more affordable, there is a very real possibility that the change would lead to a substantial loss of office floorspace. This would severely limit the opportunities for all stakeholders to grow the economy in Sevenoaks District and provide sustainable development where new dwellings are provided alongside local employment opportunities.

8. Potentially affected sites

The following is a list of sites currently protected in the Local Plan, proposed for protection in the emerging Allocations and Development Management Plan and/or proposed for mixed use development that the Council considers may be affected by the change in permitted development rights. Sites have been included where they include a significant amount of office floorspace that is not related to or surrounded by other employment uses (i.e. an office in a warehouse building). This is due to the likely limited attractiveness of converting offices within industrial/warehouse buildings or estates to residential use.

Policy (1)	Site	Site Area (ha) (1)	Uses	Assumed B1a Area (ha) (1)	Estimated Floorspace (m ²) (2)	Estimated Jobs (3)	Quality (2)	Annual Rental Indicator (£/m ²) (4)	Gross Development Value (@ yield of 7.5%) (£/m ²)	Residential Gross Development Value in Location (£/m ²) (5)	Estimated value of 80m ² office (6)	Estimated value of 80m ² dwelling (6)
Sevenoaks Urban Area												
EMP1 (a)	Vestry Road, Sevenoaks	11.3	Office & Industry	0.5 (Becket House)	4,000*	150	Reasonable	£150	£2000	£2751 - £3000	£160,000	£220,000 - £240,000
EMP1 (c)	British Telecom, Sevenoaks	1.8	Offices	1.8	17,550	1000	Very Good	£135 - £173	£1800 - £2307	£3001 - £3250	£144,000 - £185,000	£240,000 - £260,000
EMP1 (d)	Erskine House, Sevenoaks	0.5	Offices	0.5	2,850	Unknown	Good	£130 - £180	£1733 - £2400	£4001 - £4250	£139,000 - £192,000	£240,000 - £260,000
EMP1 (f)	High Street, Sevenoaks	1.5	Offices	1.5	7,165	46	Good	£158 - £180	£2107 - £2400	£3001 - £3250	£169,000 - £192,000	£240,000 - £260,000
EMP1 (g)	London Road, Sevenoaks	4.0	Offices & Residential	4	14,397	500	Good	£173 - £180	£2307 - £2400	£3001 - £3250	£185,000 - £192,000	£240,000 - £260,000
EMP1 (i)	South Park, Sevenoaks	0.2	Offices & Medical Centre	0.1 (excludes surgery)	300*	Unknown	Good	£163 - £180	£2173 - £2400	£3001 - £3250	£174,000 - £192,000	£240,000 - £260,000
EMP1 (j)	Tubs Hill House, Tubs Hill Road, Sevenoaks	0.4	Offices	0.4	6,555	175	Good	£165	£2200	£3001 - £3250	£176,000	£240,000 - £260,000
EMP1 (k)	Lime Tree Walk, Sevenoaks	0.6	Offices	0.6	6000*	80*	Good	£160 - £300	£2133 - £4000	£3001 - £3250	£171,000 - £320,000	£240,000 - £260,000
Swanley												
EMP1 (m)	Swanley Town Council Offices, Swanley	0.4	Offices, Banqueting	0.4	1,200*	Unknown	Good	Evidence not available	Evidence not available	£2001 - £2250	Evidence not available	£160,000 - £180,000
EMP1 (o)	Horizon House, Swanley	0.3	Offices	0.3	3,648	364	Good	£115	£1533	£2001 - £2250	£123,00	£160,000 - £180,000
EMP1 (p)	Media House, Swanley	0.3	Offices	0.3	3,069	Unknown	Good	£104	£1387	£2001 - £2250	£111,000	£160,000 - £180,000
EMP1 (u)	The Technology Centre, Swanley	1.9	Offices, Warehousing & Industry	0.9 (White Oak Square)	4,416	110*	Good	£133 - £170	£1773 - £2267	£2001 - £2250	£142,000 - £181,000	£160,000 - £180,000

H2(b)	United House, Swanley	3.89	Proposed for residential and offices	0.17 (NW part of site)	2,500 proposed for retention	n/a	n/a	Evidence not available	Evidence not available	£2001 - £2250	Evidence not available	£160,000 - £180,000
Major Developed Sites												
MDES 1	Fort Halstead, Halstead	40.1	Offices & Warehousing	40.1	50,000	1200	Some high quality, some poorer quality	Evidence not available	Evidence not available	£3001 - £3250	Evidence not available	£240,000 - £260,000
H2 (f)	GSK, Leigh	3.3	Proposed for residential and offices	0.1 (Building 12)	2,319 proposed for retention	n/a	Excellent	Evidence not available	Evidence not available	£4251 - £4500	Evidence not available	£340,000 - £360,000
Other Settlements												
EMP1 (x)	Westerham Trading Centre, Westerham	3.7	Offices & Warehousing	0.35 (The Crown)	3,000*	100*	Good	Evidence not available	Evidence not available	£3251 - £3500	Evidence not available	£260,000 - £280,000
Total		74.2		52	128,969							

Table Notes

- (1) From the Council's Allocations and Development Management Plan: Draft for Submission approved by the Council in February 2013.
- (2) From the Council's Employment Land Review 2007. Entries followed by (*) have been estimated on the basis of assumed site coverage where office uses form only part of an identified site. Quality assessment at Fort Halstead based on recent site visit.
- (3) From the Council's Employment Land Review 2007 or an estimate developed for this assessment.
- (4) From the Council's CIL Viability Assessment (2012). Information is only provided where evidence is available from within the specific site.
- (5) From the Council's CIL Viability Assessment (2012). Residential values per m² based on evidence at ward level. Values accurate as of December 2011. Values may vary significantly within wards and it may be expected that values in locations close to town centres and train stations would be higher.
- (6) Estimate provided on the basis of Gross Development Values per m² to enable comparison. Floorspace is purely indicative of a flat that could be provided through conversion.

This assessment shows that of the sites in predominantly office use that the Council proposes to maintain in employment use through its Local Plan/LDF, approximately 52 ha of office floorspace and an estimated 130,000m² could be lost as a result of the proposed changes to permitted development rights. With the exception of Lime Tree Walk, Sevenoaks, where the higher annual rental indicator is considered to be an outlier, in all cases average residential Gross Development Values (GDVs) are significantly higher than office GDVs. The differences in values between GDVs clearly provide an incentive for landowners to convert existing offices to dwellings. It is not the case that this only applies to office buildings where there has been experience of recent high vacancy rates and where rental values have been reduced to encourage new occupiers to locate within them.

The following sites from this list are not proposed for exemption but have been included in the analysis above to highlight the impact of the proposed PD rights changes in Sevenoaks District. Reasons for not proposing exemptions on these sites have also been set out:

- Erskine House, Sevenoaks – the site is considered to be too small for the Council to be able to prove that the loss of the site would have ‘substantial adverse economic consequences at the local authority level’.
- South Park, Sevenoaks - the site is considered to be too small for the Council to be able to prove that the loss of the site would have ‘substantial adverse economic consequences at the local authority level’.
- Swanley Town Council Offices – the offices form only part of this building and the banqueting facilities, which constitute the remainder, may not be an appropriate neighbour for a viable residential development. The office part of the building is also considered to be too small for the Council to be able to prove that the loss of the site would have ‘substantial adverse economic consequences at the local authority level’.
- United House, Swanley - the size of the area proposed to be retained in office use is considered to be too small for the Council to be able to prove that the loss of the site would have ‘substantial adverse economic consequences at the local authority level’.
- GSK, Leigh - the size of the area proposed to be retained in office use is considered to be too small for the Council to be able to prove that the loss of the site would have ‘substantial adverse economic consequences at the local authority level’.

In addition, the Council does not propose to make a case for an exemption for a large (18.8ha) employment site at Station Road, Edenbridge. Whilst this site does contain buildings that are primarily within office use and could be converted, the area is considered to have more of an industrial estate character and predominant building types. It is considered unlikely that the site and the buildings within it would prove attractive to developers considering conversion to residential through a change of use,

as opposed to through redevelopment, which would continue to require planning permission.

Sites proposed for exemption have been subject to a critical assessment by Sevenoaks District Council to identify sites where a loss of office floorspace would have significant adverse economic consequences at the local authority level. SDC has also assessed the likelihood of sites being converted to residential and only seeks exemptions for those most significant sites that are likely to be highly attractive to residential developers. Sites proposed for exemption represent approximately 75% of the estimated office supply in the District.

9. Sites Proposed for Exemption

A) Becket House at Vestry Estate, Sevenoaks

Becket House is located at the entrance to the Vestry Estate in the northern part of the Sevenoaks Urban Area and has good access to the main A roads through the town. It is considered to be sufficiently separate from the main industrial estate parts of the site to be a potentially attractive location for conversion to residential development. Becket House is estimated to provide approximately 4000m² of office floorspace, which equates to approximately 3% of the office supply in Sevenoaks District.

Companies: A-Tec Developments Ltd, Judy French Ltd, Dr Goodridge and Partners, Optimum Media Marketing, CT Jackson Ltd, Lion House Ltd, C&J Logistics, Combe Bank Homes Ltd,

Estimated number of jobs: approximately 150

Vacancy Rates: 20%

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation within Becket House to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

B) BT Building, Sevenoaks

The BT Building, Sevenoaks provides some of the most modern office accommodation in Sevenoaks District. It is in an attractive, accessible location close to Sevenoaks Station and the main A roads through the town. On the basis of the Council's Updated Employment Land Forecasts (2011), the BT Building, at 17,550m², provides approximately 15% of the office supply in Sevenoaks District. The BT Building provides the second largest concentration of office floorspace in the District, after Fort Halstead.

Companies: BT (Floor G and 1), Siemens Nixdorf, Bel UK Ltd.

Estimated number of jobs: a full capacity this building is estimated to be able to accommodate 1000+ employees

Vacancy Rates: The building is nearly 100% full – with only a few vacant areas. Interest in the 2nd floor is high.

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation within the BT Building to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

C) High Street, Sevenoaks

The defined High Street, Sevenoaks employment area consists of good quality 1980s and 1990s office buildings, as well as some that date from the 1950s and 1920s. The buildings provide a range of office sizes, which helps to provide flexibility in the local market. Being within Sevenoaks Town Centre, the buildings provide accessible office accommodation that draw people into the town centre and contribute towards its vitality and viability. On the basis of the Council's Updated Employment Land Forecasts (2011), the area, with 7,165m² of office floorspace, provides approximately 5% of the office supply in Sevenoaks District.

Estimated number of jobs: approximately 50

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation in this area to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

D) London Road, Sevenoaks

The London Road, Sevenoaks employment area consists of relatively modern (last 30 years) and more historic (1900s) purpose-built and converted office accommodation. The buildings provide a range of office sizes, which helps to provide flexibility in the local market. Being within Sevenoaks Town Centre, the buildings provide accessible office accommodation that draw people into the town centre and contribute towards its vitality and viability. On the basis of the Council's Updated Employment Land Forecasts (2011), the area, with 14,397m² of office floorspace, provides approximately 10% of the office supply in Sevenoaks District. This area provides the third largest concentration of office floorspace in the District, after Fort Halstead and the BT building.

The area contains large office buildings, such as those of Sevenoaks District Council and West Kent Housing, as well as a number of smaller offices.

Estimated number of jobs: approximately 400

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation in this area to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

E) Tubs Hill House, Sevenoaks

Tubs Hill House is in attractive, accessible location close to Sevenoaks Station and between it and the town centre. It is also located on one of the main A roads through the town, which provides convenient access to the M25 and A21. The relatively small site accommodates two eight storey office towers joined by a single storey reception and parking provision. The Employment Land Review 2007 considered the two towers to be in a good condition. On the basis of the Council's Updated Employment Land Forecasts (2011), at 6,555m², Tubs Hill House provides approximately 5% of the office supply in Sevenoaks District.

Companies: Thompson Electrical Services, Underwater Lights Ltd, Sontaine Ltd, Abode Ltd, Hawkspare Ltd, Davidson and Pearson Ltd, High Voltage Maintenance, Langford Printers Ltd, Bross Print and Design Ltd, Routledge Laboratories Ltd, Giggiepin Ltd, Mad Hatters Emporium, NJS Solutions Ltd, Foxgrove Associates Ltd, Clear Channel UK Ltd, Cephos Electronics Ltd, Meadowstag properties Ltd, Kent Domestic Services Ltd, K&J Investments Ltd, FU-Tech Ltd, Steve Bromley Fabrications Ltd, PGB Retail, NU Spice Ltd, Medical Equipment Leasing Ltd, Eustace and Partners.

Estimated number of jobs: approximately 175

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation in this area to dwellings and the Council has received recent planning applications for this.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

F) Lime Tree Walk, Sevenoaks

The employment area between Lime Tree Walk and South Park in Sevenoaks is within the town centre and borders the main shopping area. The buildings provide accessible office accommodation that draw people into the town centre and contribute towards its vitality and viability. The offices range in size, which helps to provide flexibility in the local

market. The buildings are also considered to be of good quality and are well maintained. It is estimated that the area proposed for retention in employment use provides approximately 6000m² of office space, which, on the basis of the Council's Updated Employment Land Forecasts (2011), equates to approximately 4% of the office supply in Sevenoaks District.

Companies: The Mobile Phone Centre, Arun Estate Agencies Ltd, ARC Estates, Oil Analysis Service Ltd, Howard Passingham Services Ltd, Response Traffic Management Ltd, Beckford Contractors Ltd, Moonraker Leisure Limited, Optimum Interiors Ltd, Hutchison UK 3G Ltd, Piperton Finance Ltd, Hubbard Peglar Ltd.

Estimated number of jobs: approximately 80

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

G) Horizon House, Swanley

Horizon House is a 1960s eight storey office block in an accessible location close to Swanley Station. It is considered to be in good condition. The building provides approximately 3,600m² of office floorspace. Whilst the site does not provide as much floorspace as those proposed for exemption from the PD rights changes in Sevenoaks, Swanley contains three valuable office blocks of relatively similar size (the others being Media House and the Technology Centre, below). Between them, these three sites provide approximately 11,000m² of office floorspace, which equates to approximately 8% of the supply in Sevenoaks District, as identified in the Council's Updated Employment Land Forecasts (2011). It is considered that loss of these offices in Swanley would reduce the Council's ability to bring forward regeneration of a town that contains areas within the top 25% most deprived in the Country by reducing the employment opportunities.

Companies: Party Doctors, SGB Prestige Ltd, Halstead Physiotherapy, Orion Facilities Management, Captains Cabin Ltd, Honeyshaw Ltd, JW Contract Services Ltd, GCM Marble Ltd,

Estimated number of jobs: approximately 365

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation in this area to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

H) Media House, Swanley

Similar to Horizon House, Media House is a 1960s office development close to Swanley Station. It is a three-storey building that is considered to be of good quality. The building provides approximately 3,000m². Media House, Horizon House and Swanley Technology Centre provide approximately 11,000m² of office floorspace, which equates to approximately 8% of the supply in Sevenoaks District, as identified in the Council's Updated Employment Land Forecasts (2011). It is considered that loss of these offices in Swanley would reduce the Council's ability to bring forward regeneration of a town that contains areas within the top 25% most deprived in the Country by reducing the employment opportunities.

Companies: David Barrington Antiques, Wealden Oak Ltd

The assessment of competing development values, above, clearly shows that an incentive exists for landowners to convert office accommodation in this area to dwellings.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

I) White Oak Square at The Technology Centre, Swanley

The Technology Centre in Swanley provides a mix of offices, manufacturing and warehouse space. The area proposed for exemption from the permitted development rights changes is the area that is predominately in B1a office use. This area is estimated to provide approximately 4,400m² of office floorspace. The site is located on the northern boundary of the main town centre shopping area and, as such, is an accessible location and also helps to draw people into the town, increasing its vitality and viability. Media House, Horizon House and Swanley Technology Centre provide approximately 11,000m² of office floorspace, which equates to approximately 8% of the supply in Sevenoaks District, as identified in the Council's Updated Employment Land Forecasts (2011). It is considered that loss of these offices in Swanley would reduce the Council's ability to bring forward regeneration of a town that contains areas within the top 25% most deprived in the Country by reducing the employment opportunities.

Companies: Belmont International Ltd, Pipperton Finance Ltd, Rix and Kay LLP, Westbury fabrication and Engineering Ltd, Reylon Courier Services Ltd, Fairway Financial Consultancy.

Estimated number of jobs: approximately 110

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

J) Fort Halstead, Halstead

Fort Halstead is the largest employment site in Sevenoaks District and is occupied by public and private sector organisations in the defence industry. The Certificate of Lawful Existing Use/Development (SE/03/02897/LDCEX) for the site identifies that approximately 71,000m² of floorspace on the site was in B1 use (including ancillary to an A1 use) at the time it was granted. The Council's Employment Land Forecasts Update 2011 estimates that approximately 50,000m² of this was in office use. This equates to approximately 35% of the supply in Sevenoaks District, as identified in the Council's Updated Employment Land Forecasts (2011).

Defence Science and Technology Laboratory (DSTL) has announced that it is to vacate the site by 2017 and the Council is discussing with representatives of the landowners how a sustainable, employment-led future for the site can be secured. It is hoped that this future will provide increased office and laboratory space for QinetiQ, the other major employer on the site.

Whilst the site is not currently considered to be in a form that could easily be converted into residential use, the Council seeks an exemption of the site from the proposed permitted development rights changes to ensure that any buildings that are retained as part of a re-development can be protected in employment use.

It is estimated that approximately 1200 jobs are currently provided on the site. It is the Council's policy aim that this number will be re-provided through redevelopment of the site. Employees on the Fort Halstead site are drawn from a wide catchment area. Therefore, the site can be said to be of more than just local significance.

The site is currently fully occupied by DSTL, QinetiQ and the site management company. Whilst individual buildings may no longer be in use by these occupiers, the perimeter security fence surrounding the site prevents these being occupied by other organisations. A consideration of vacancy rates on the site is, therefore, not considered appropriate.

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

K) Crown Inn at Westerham Trading Centre

Crown Inn is a modern office building in the northern part of Westerham town. It is considered to be sufficiently separate from the main industrial estate parts of the site to be a potentially attractive location for conversion to residential development. The site is estimated to contain approximately 3,000m² of office floorspace, which equates to approximately 2% of the office supply in Sevenoaks District. The site is also an important employment location within Westerham.

Companies: Oak Hall Expeditions Ltd, Trak Ltd, The Darenth Wax Company Ltd, Vass Ltd, Bradford Electrical.

Estimated number of jobs: approximately 100

A plan of the area that SDC proposes should be exempt from the permitted development rights changes is set out in Appendix D.

10. Assessment of Proposed Exemptions against Government Criteria

SDC considers that the case set out in this document clearly shows that there are sound reasons for making the largest employment sites in the District exempt from the proposed permitted development rights changes. A short summary of the Council's case against the criteria that the Government will use to decide whether exemptions should be granted or not is set out below:

The scale of the impact in absolute terms

SDC considers that the differences in value between offices and residential development, which provides a significant incentive for landowners to bring forward conversions, suggest that a substantial proportion of the office floorspace in the District could be lost. Of the 144,900m² of office floorspace that the Updated Forecasts for Employment Land suggests is currently provided in the District, providing exemptions for the sites identified by the Council in this document would ensure that approximately 108,000 (75%) of that floorspace would need to be considered under the Council's flexible, and NPPF compliant policies, on retention of employment land, should residential development be proposed on them.

The businesses that have been identified in the office buildings proposed for exemption contribute at least £109.3 million to the economic output of the area (GVA) and over approximately 2,700 jobs. This is considered a conservative estimate as, with the exception of Fort Halstead, it does not take into account multipliers for the levels of skilled work undertaken. The permanent loss of these sites would seriously undermine the Council's ability to be able to attract inward investment and grow businesses within the District.

The significance of the adverse impact at the level of the local authority or wider

The Council considers that the loss of a substantial proportion of office floorspace in the District will severely limit the ability of stakeholders to bring about economic growth. This may lead to increasing local unemployment and increasing out-commuting. The provision of local employment opportunities, balanced with out-commuting, is considered fundamental to sustainable development in the District and was a key consideration in the Council's Core Strategy, with its policy on protecting employment land, being found sound in 2010.

The degree to which there is likely to be a strategic and long-term adverse economic impact

A substantial change in the profitability of office developments would need to occur before it is likely that the Council will see new offices coming forward to replace any lost as a result of the permitted development rights changes, either as a result of conversions or new builds. It will be very difficult to replace the office space expected to be lost in the short or long term as a result of the high level planning constraints, including 93% Green Belt coverage, that exist in Sevenoaks District. The impact of this will be that the Council will be unable to provide sufficient office floorspace to meet the forecast requirements of the local economy and meet the economic objectives of the NPPF without conflicting key NPPF policies on the protection of the Green Belt.

Whether the proposed area of exemption is the smallest area necessary to address the potential adverse economic impact

SDC has identified specific office sites of District- or settlement-wide importance that it proposes should be exempt from these permitted development rights changes. Except for those sites that have a mix of employment uses, the boundaries of the sites are consistent with those proposed in the Council's emerging Allocations and Development Management Plan and are considered to represent the extent of the area containing office floorspace and ancillary land.

Not outweighed by positive benefits

It is noted that in order to be considered favourably, cases for exemptions must show that the negative impacts are not outweighed by positive benefits. SDC's case addresses this point in noting that it has identified how its housing targets will be met in the emerging Allocations and Development Management Plan without releasing key employment land. It is not considered that increased supply in Sevenoaks District will lead to improved market housing affordability. The proposal will have no positive impact on the delivery of affordable housing as any dwellings delivered through a change of use would not be subject to the Council's affordable housing policies and could have a detrimental impact if developers focus on bringing forward conversions of offices rather than new builds or other conversions.

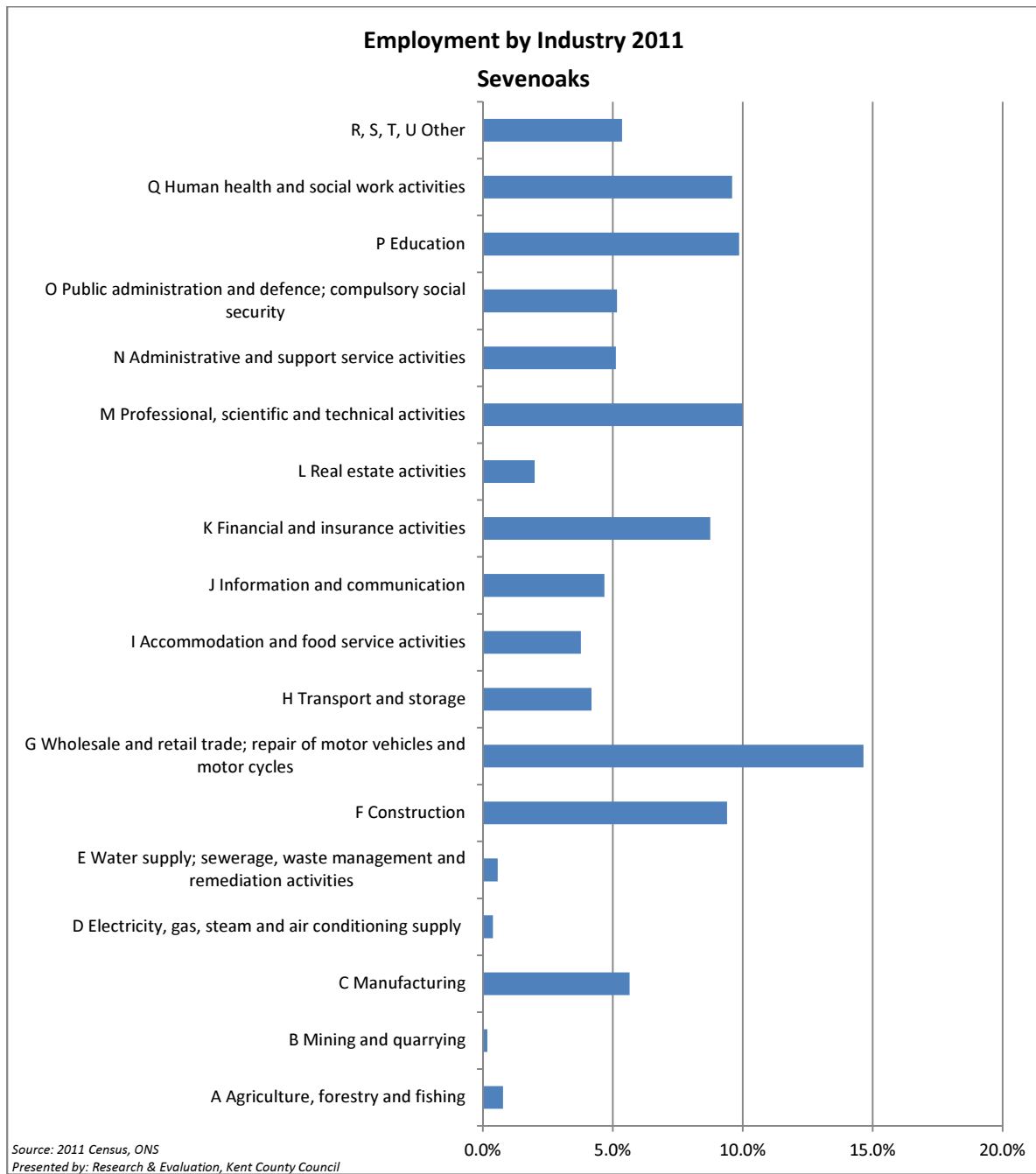
It is hoped that SDC's case for exemptions from the permitted development rights are accepted to minimise the impact that this change will have on the Council's aim to create balanced and sustainable communities.

As well as the sound planning arguments that the Council considers exist to justify these exemptions, it also considers that the loss of office floorspace would lead to substantial reductions in business rate revenues.

Appendix A – Wards in Sevenoaks District within the most 20% deprived of LSOAs in England by domains related to ‘income’, ‘employment’, ‘education, skills and training’ or ‘income deprivation affecting children’

Ward Name	LSOA Name	Domain
Swanley St Mary’s	Sevenoaks 002A	Income
Swanley St Mary’s	Sevenoaks 002B	Income
Swanley St Mary’s	Sevenoaks 002B	Employment
Edenbridge North and East	Sevenoaks 014C	Education, Skills and Training
Swanley St Mary’s	Sevenoaks 002A	Education, Skills and Training
Swanley St Mary’s	Sevenoaks 002B	Education, Skills and Training
Swanley White Oak	Sevenoaks 002D	Education, Skills and Training
Swanley White Oak	Sevenoaks 002F	Education, Skills and Training
Swanley White Oak	Sevenoaks 002E	Education, Skills and Training
Hartley and Hodsoil Street	Sevenoaks 004D	Education, Skills and Training
Swanley St Mary’s	Sevenoaks 002A	Income Deprivation Affecting Children
Swanley St Mary’s	Sevenoaks 002B	Income Deprivation Affecting Children
Swanley White Oak	Sevenoaks 002F	Income Deprivation Affecting Children

Appendix B – Employment by Industry in Sevenoaks District 2011



Appendix C – Letters of Support for SDC’s case for exemptions.

FSB Policy Position: Relaxation of Planning Rules for Change of Use from Commercial to Residential

Whilst the FSB recognises the need to address England's housing supply shortage, it is concerned about the Government's proposals to relax planning rules regarding land use, which will make it easier to change commercial land into residential land. The FSB is concerned that this proposal threatens the supply of oven-ready commercial premises, so vital to small businesses. The FSB believes there needs to be safeguards in place to protect that commercial land which, once the economic climate improves, will be hugely important to new enterprise and businesses wishing to grow.

The FSB is also concerned that the relaxation in planning rules for change of use will push commercial rents up, at a time when other costs, such as energy prices and fuel prices are already squeezing business margins and stifling growth.

The FSB also believes that some commercial land would not be appropriate for residential use, as it doesn't have appropriate access to transport links and other local infrastructure, and therefore would not support sustainable housing. The FSB would urge the Government to consider alternative initiatives to kick start housing supply, rather than threatening the supply of land available for business growth.

Andrew Aves
Andrew Aves
Development Manager
Kent and Medway
Federation of Small Businesses



Secretariat
c/o Essex County Council
Room C328
County Hall
Chelmsford
CM1 1LX

Joe Middleton
Economic Development Officer
Sevenoaks District Council
Council Offices
Argyle Road
Sevenoaks
Kent
TN13 1HG

20th February 2013

Dear Mr Middleton,

Re: Permitted Development Rights

The Department for Communities and Local Government recently advised of forthcoming changes to permitted developments rights which would allow offices (use class B1a) to be converted to residential accommodation (use class C3).

There is concern among the South East Local Enterprise Partnership (SE LEP) about the impact this will have on some local economies within the South East. We are aware that Sevenoaks District Council is seeking an exemption for the largest employment sites in its District. We would like to express our support for any exemption that removes these areas from the proposed changes.

One of SE LEP's primary objectives is to drive further investment in business critical infrastructure, which is essential to support growth. This includes the availability of accessible business premises in the right locations. SE LEP recognises that development land to provide for growth is often inaccessible or unviable and that more needs to be done to address core infrastructure investment needs which support business growth; there is a risk that these changes could undermine the local activity underway to drive forward new development.

The economy in Sevenoaks is characterised by a high incidence of out-commuting to London and the local authority is undertaking much work with the aim of providing local employment opportunities to limit the over-dependence on commuting and therefore would seek to protect the existing high quality employment sites. Office based employment will be a significant component of future economic growth for Sevenoaks and following the withdrawal of GSK from the Powder Mills site and the announced withdrawal of DSTL from Fort Halstead, it is essential the existing A grade supply is retained. A blanket relaxation of permitted development rights risks undermining the efforts locally to develop a sustainable future economy.

It is recognised that the wider changes to Permitted Development Rights, could provide the catalyst that is needed to drive investment into converting older office stock which is why the exemption is sought only for specific sites where the largest employment sites and more modern flexible stock is located. The South East LEP supports this balanced approach to local economic growth.

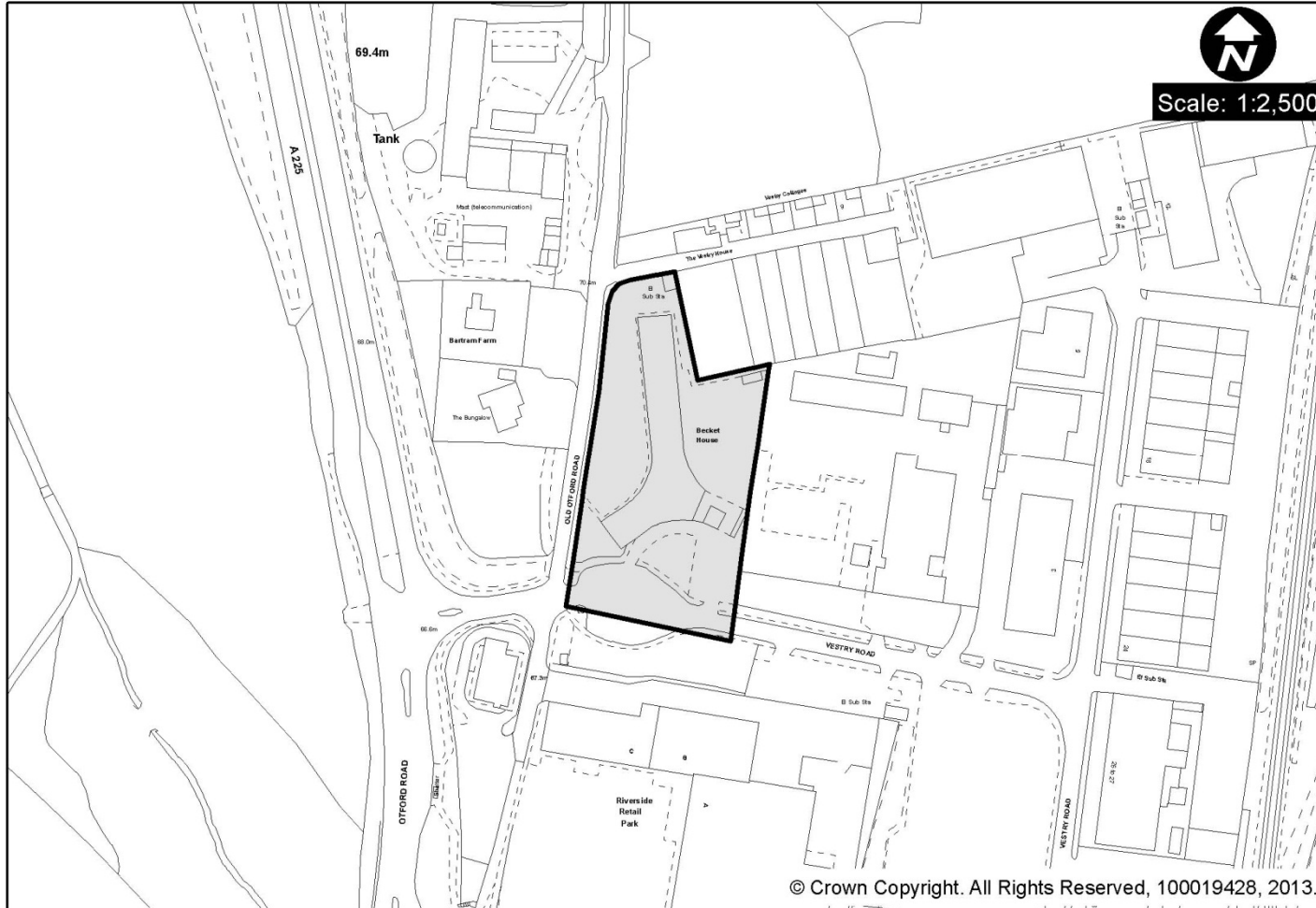
Yours sincerely

A handwritten signature in black ink, appearing to read 'J. Spence', with a stylized initial 'J' and a long, sweeping underline.

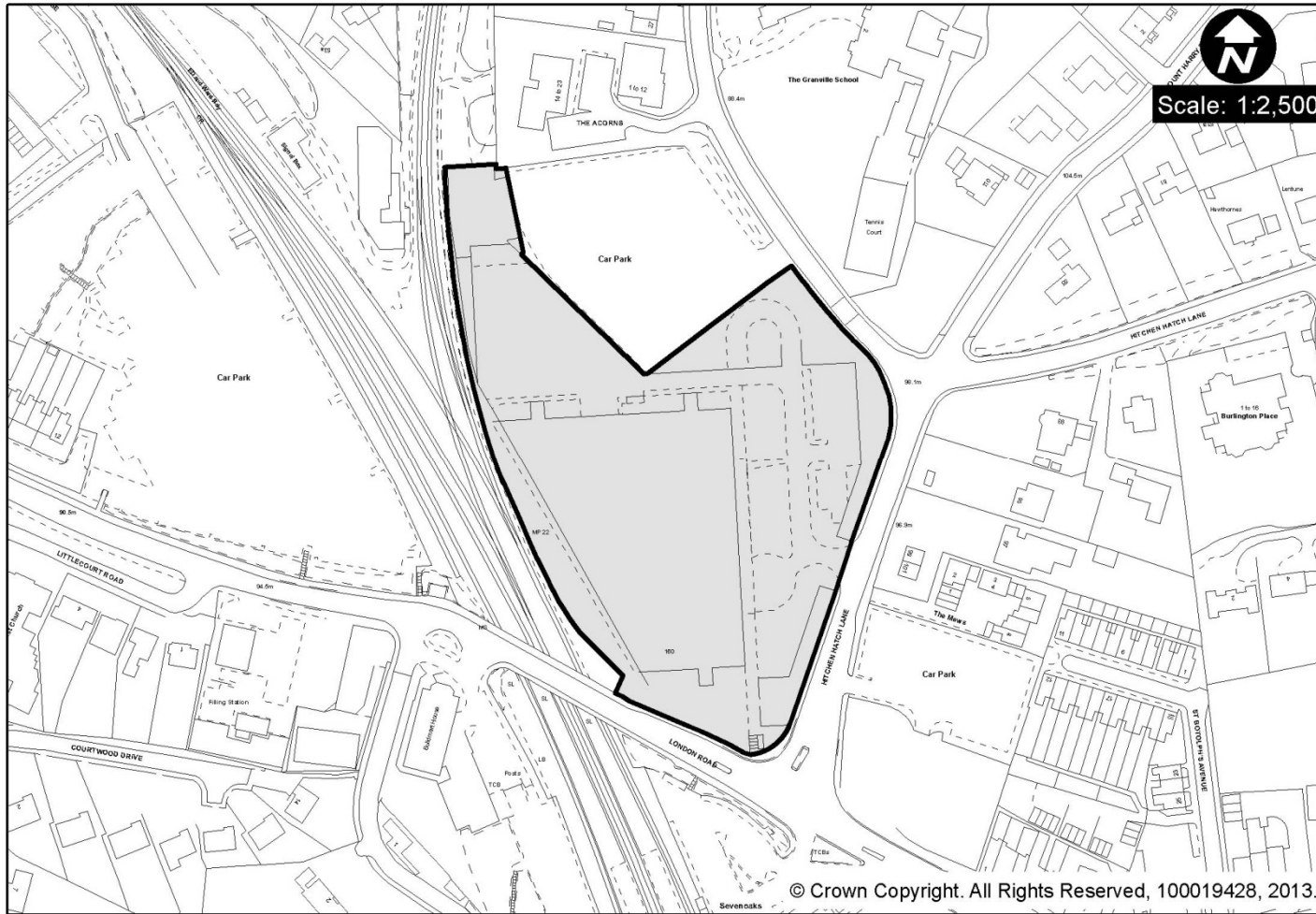
John A Spence
Chairman
South East Local Enterprise Partnership

Appendix D – Maps of sites that the Council proposes should be exempt from the proposed changes to permitted development rights to allow a change from B1(a) to C3

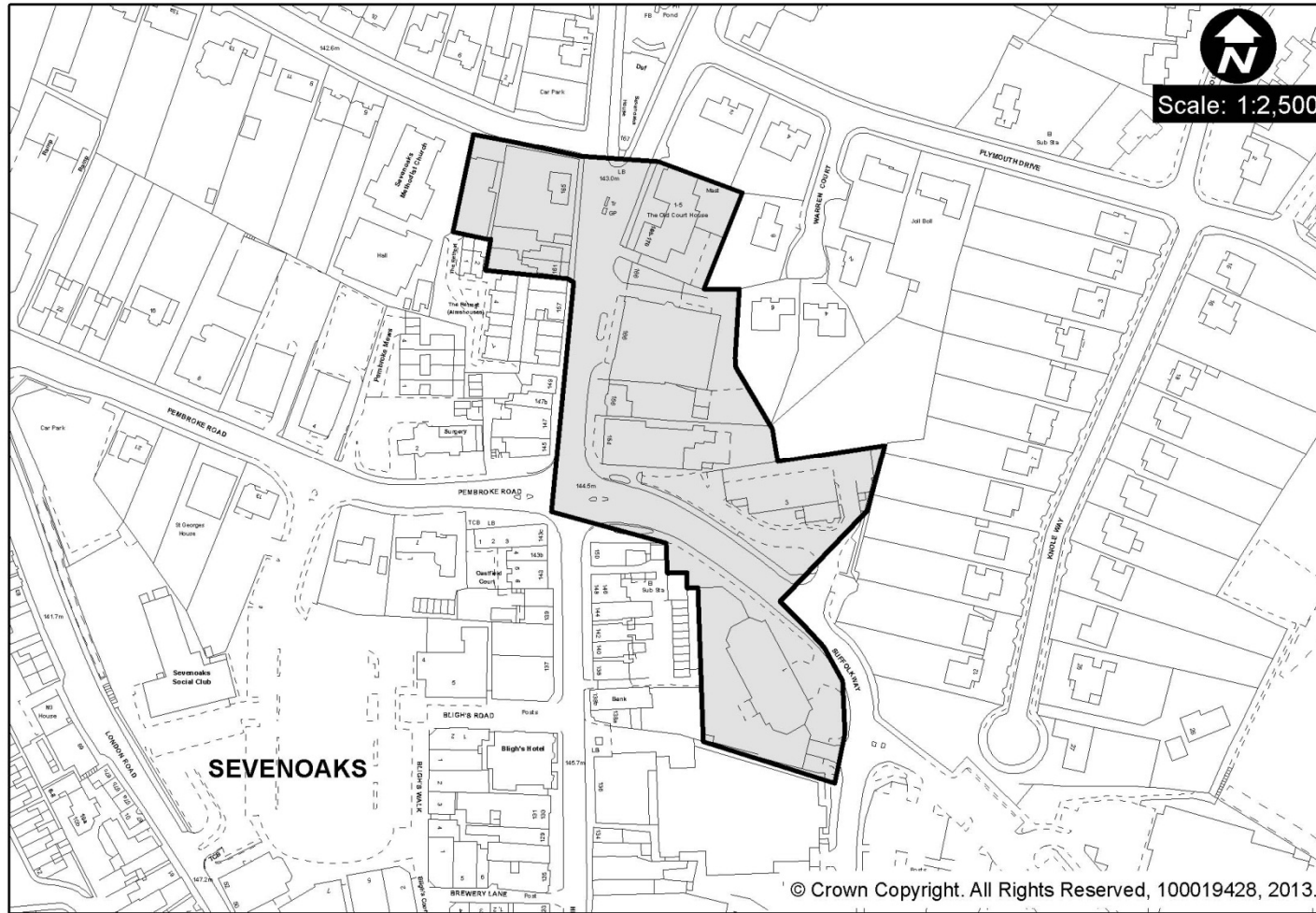
Becket House at Vestry Estate, Otford Road, Sevenoaks



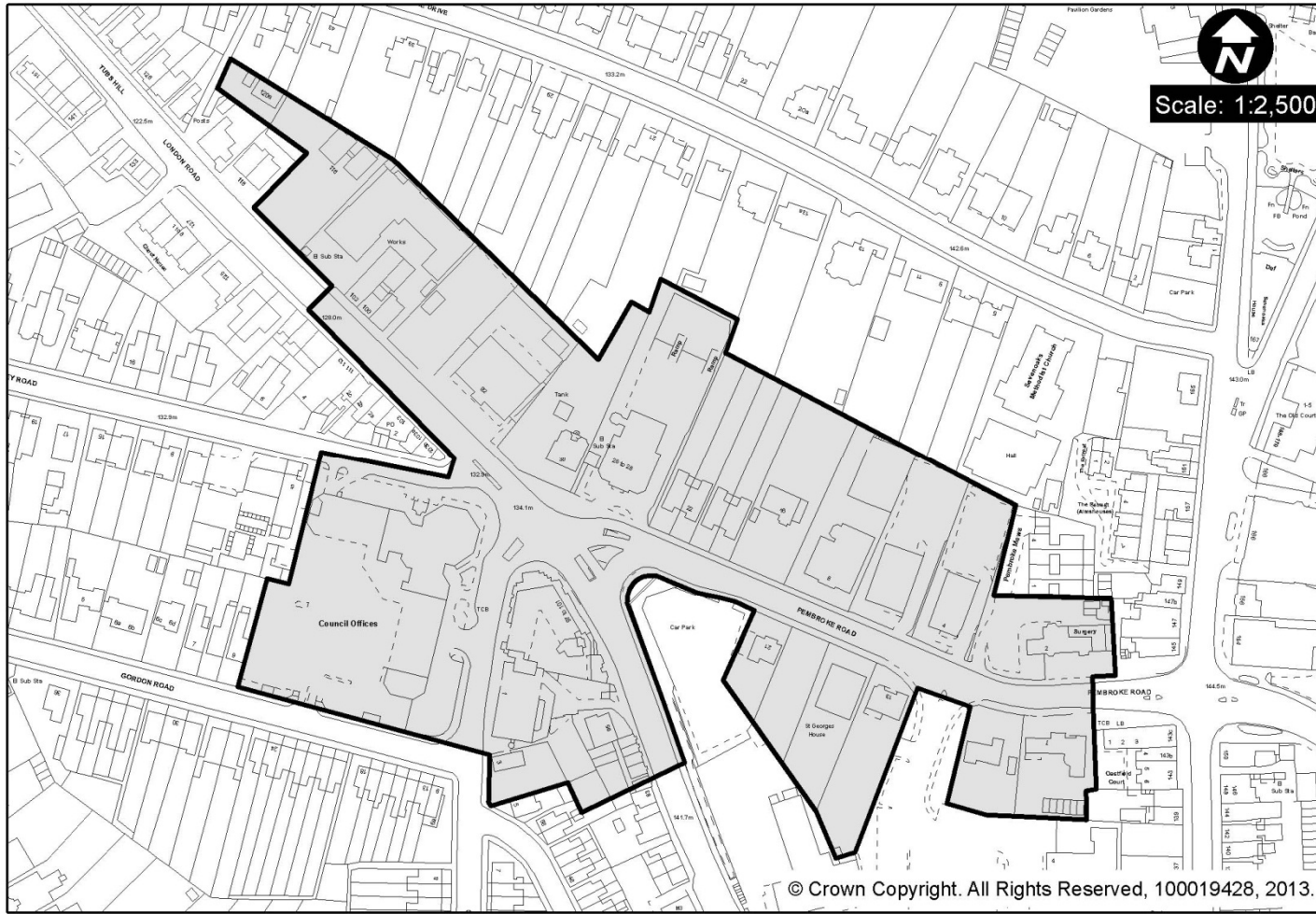
BT Building, London Road, Sevenoaks



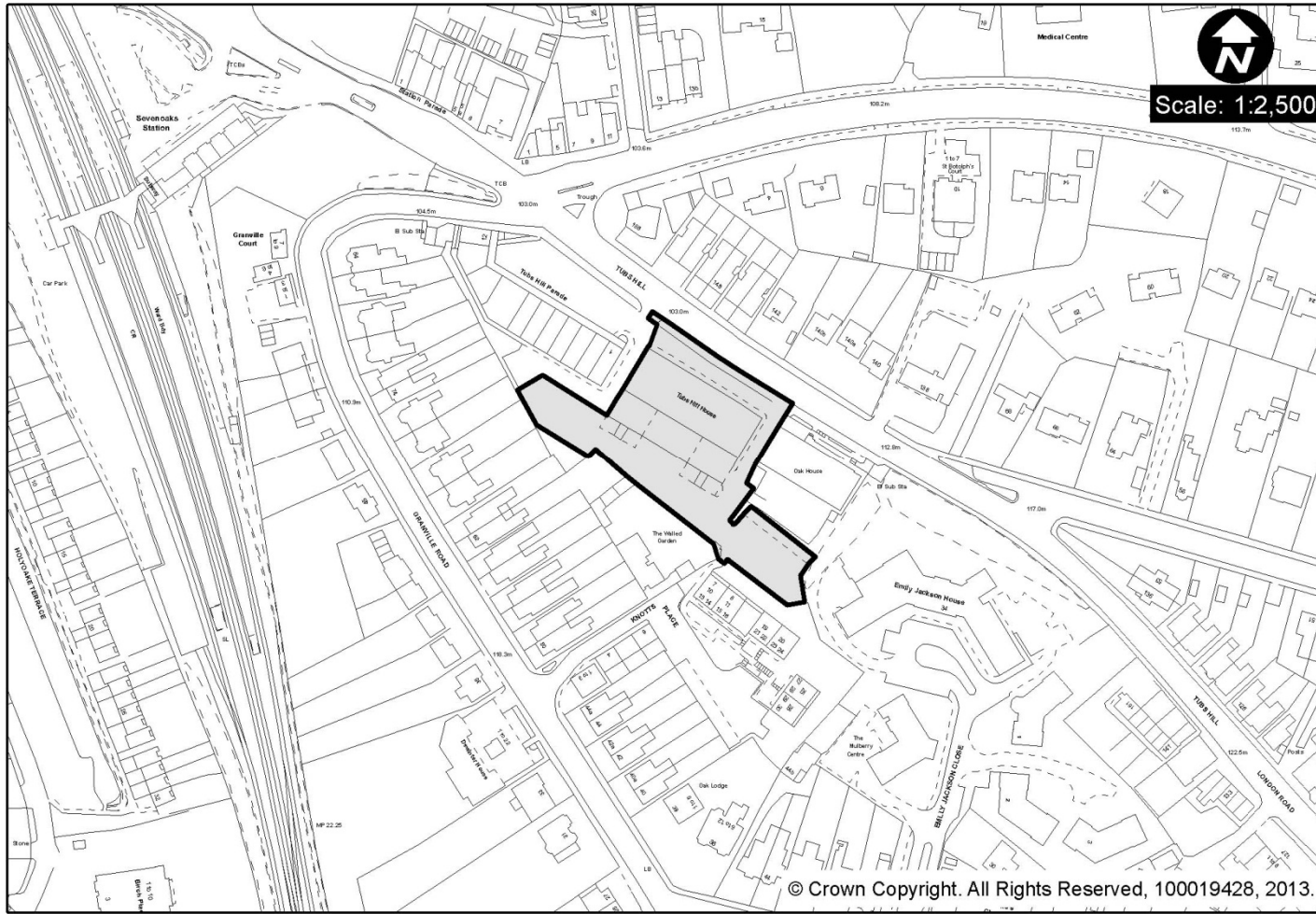
High Street, Sevenoaks



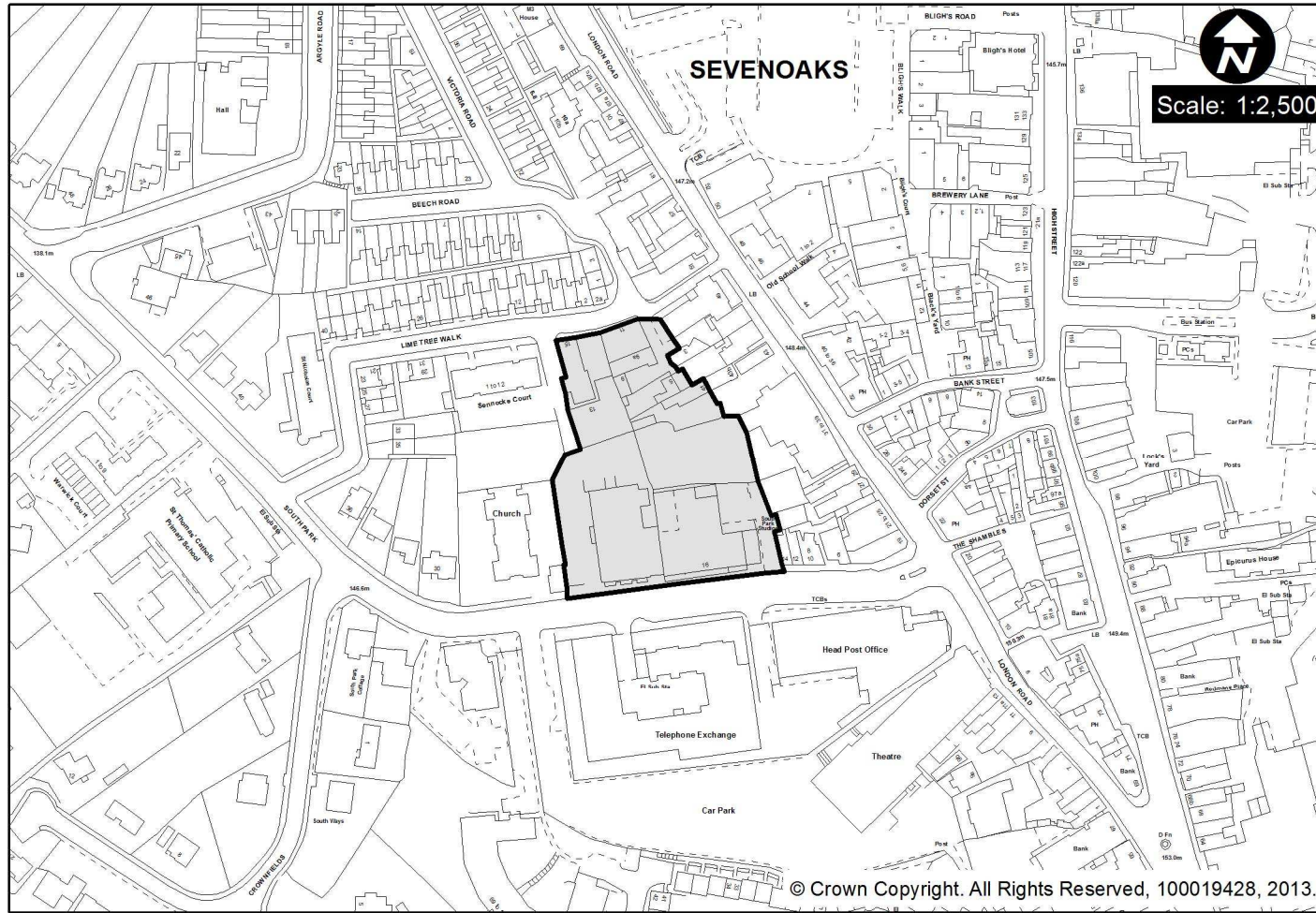
London Road, Sevenoaks



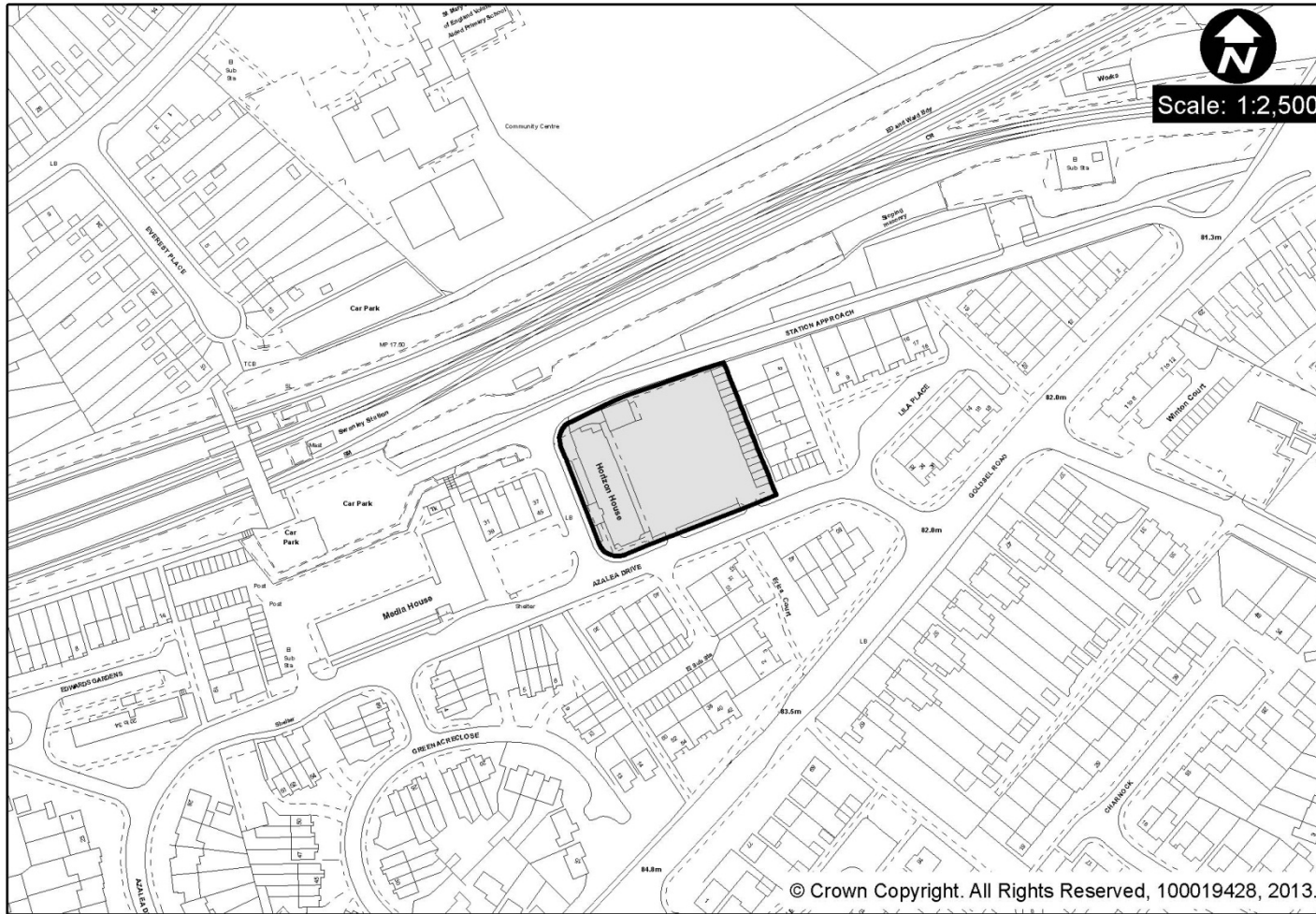
Tubs Hill House, London Road, Sevenoaks



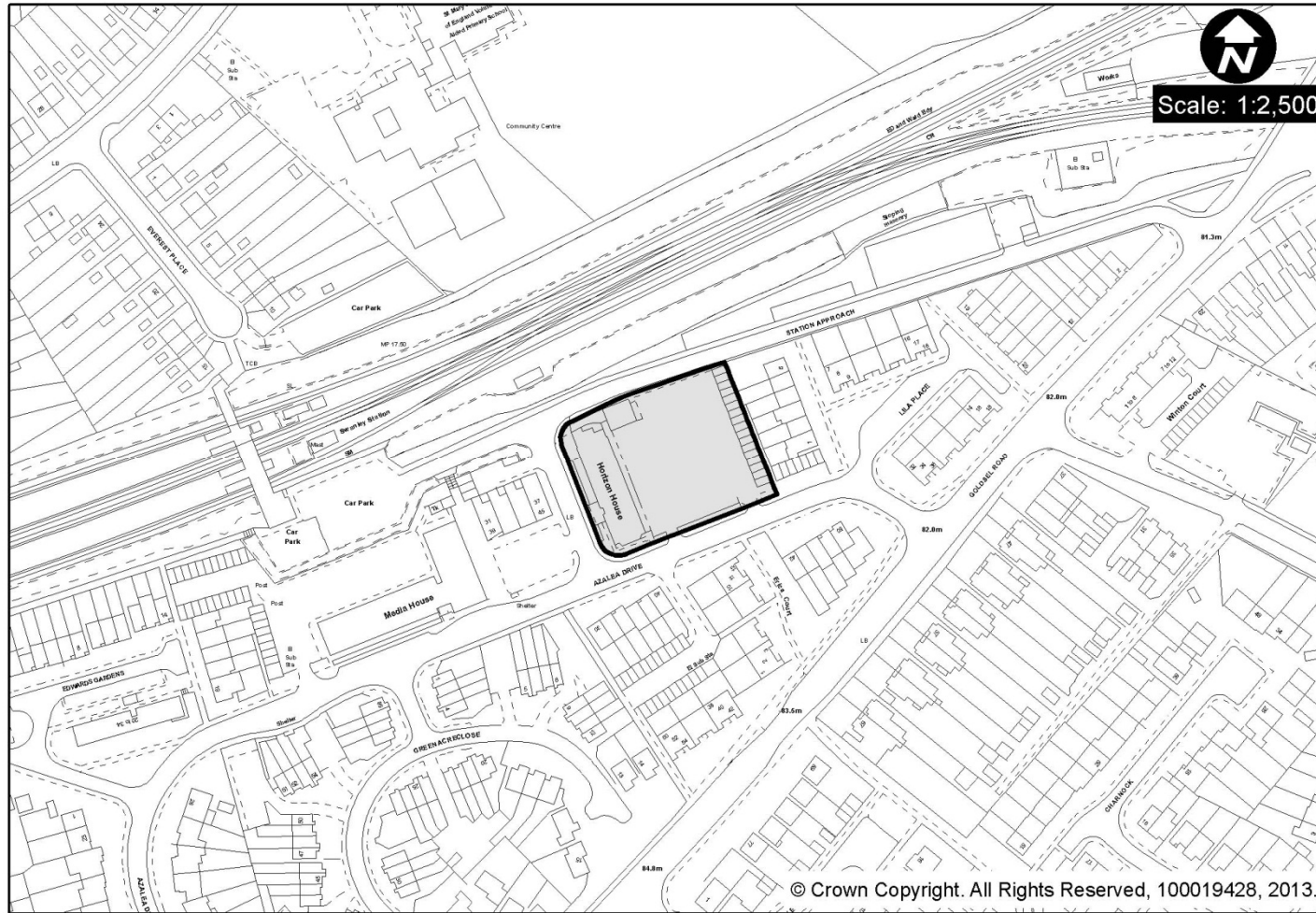
Lime Tree Walk, Sevenoaks



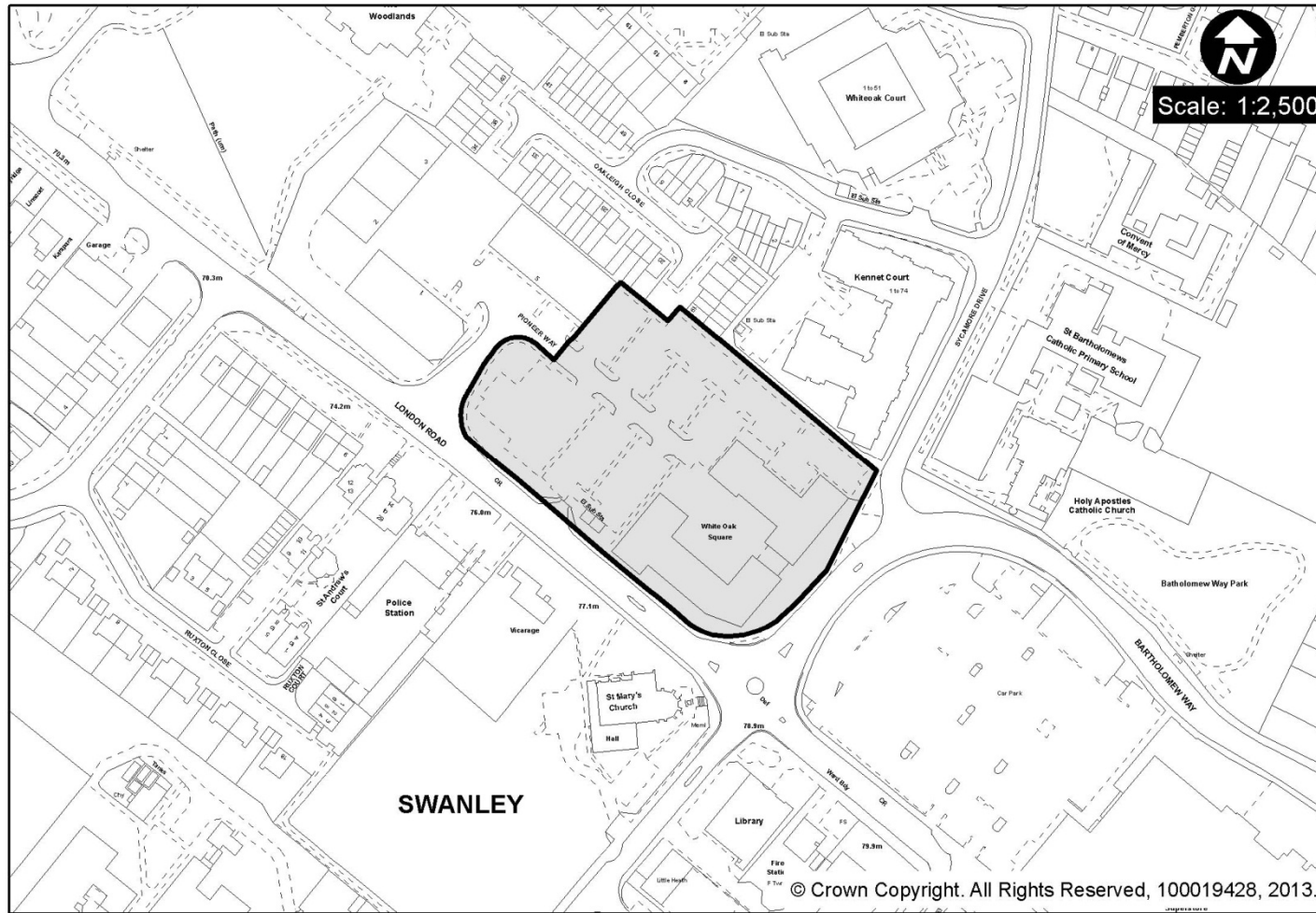
Horizon House, Azalea Drive, Swanley



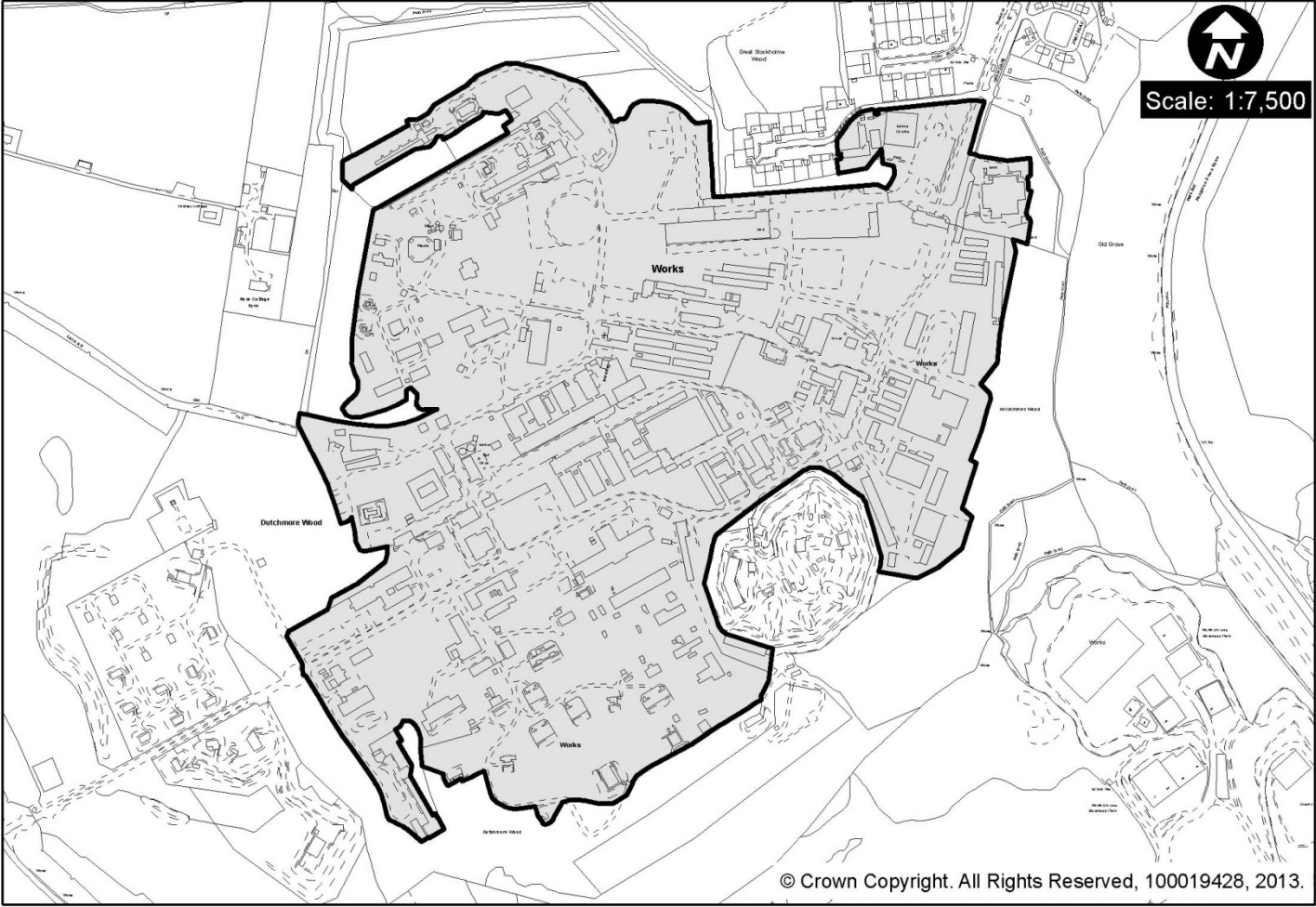
Media House, Azalea Drive, Swanley



White Oak Square at The Technology Centre, Swanley



Fort Halstead, Halstead



Crown Inn at Westerham Trading Centre, London Road, Westerham

