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authority monitoring report

2016-2017

Non-Residential Development



Brighton & Hove
City Council

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Authority Monitoring Report 2016/17

Non-Residential Development

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1. Permitted Change of Use Development

The majority of floorspace data in this section originates through data gathered from the planning application process. This is currently the most accurate way of discerning changes in floorspace, there are, however, changes which do not require planning permission, and as a consequence may not be counted in these figures. Changes to permitted development rights came into force in April 2015 with further amendments in April 2016 and May 2017¹; these are summarised in Table 1. Some changes of use are subject to a prior approval procedure with the Local Planning Authority and can be monitored as a prior approval application is required. Retail healthchecks of shopping centres can also identify changes which may not have been identified by the planning process.

Table 1: Permitted Change of Use Development after April 2015

From Use Class	To Use Class	Flexible use ²
A1 (Shops)	A2, A3*/C3* (no more than 150m ²), D2* (no more than 200m ²), Mixed A1 or A2 use and C3 up to 2 flats	A2/A3/B1 (no more than 150m ²)
A2 (professional and financial services)	A1, A3*/C3* (no more than 150m ²), D2* (no more than 200m ²) Mixed A1 or A2 use and C3 up to 2 flat	A1/A3/B1 (no more than 150m ²)
A3 (restaurants and cafes)	A1/A2	A1/A2/B1 (no more than 150m ²)
A4 (drinking establishments)	A4 with A3	
A4 (drinking establishments) with A3 (restaurants and cafes)	A4	
A5 (hot food takeaways)	A1/A2/A3	A1/A2/A3/B1 (no more than 150m ²)
B1 (B1a Offices, B1b Research & Development, B1c Light Industry)	B8 (no more than 500m ²), C3 (B1a only)*	A1/A2/A3 (no more than 150m ²)
B2 (general industrial)	B1, B8 (no more than 500m ²)	
B8 (storage and distribution)	B1, C3 (no more than 500m ² expires 15 th April 2018)	
SG (Agricultural Building)	A1*/A2*/ A3*/ B1*/B8*/C1*/D2* (no more than 500m ²) C3* (no more than 450m ²)	A1/A2/A3/B1/B8/C1/ D2* (no more than 500m ²)
SG (Amusement Arcade)	C3* (no more than 150m ²)	
SG (Betting Office/Pay day loan)	A1, A2, C3* (no more than 150m ²), D2 , A mixed SG use comprising a betting office or a pay day loan shop, or an A1 or A2 and C3 up to 2 flat	
SG Casinos	A3*/C3* (no more than 150m ²), D2	
B1/C1/C2/D2/SG (Agricultural Building)	D1* State funded School or registered nursery (no more than 500m ²)	

*Prior Approval Required

The Town and Country Planning Order 2017

The most recent updates to permitted change of use legislation to be reflected in the 2016/17 monitoring year came into force on 6 April 2016. They include making permanent

¹ [The Town and Country Planning \(General Permitted Development\) \(England\) Order 2015 and amendments](#)

² Only for a period of two years

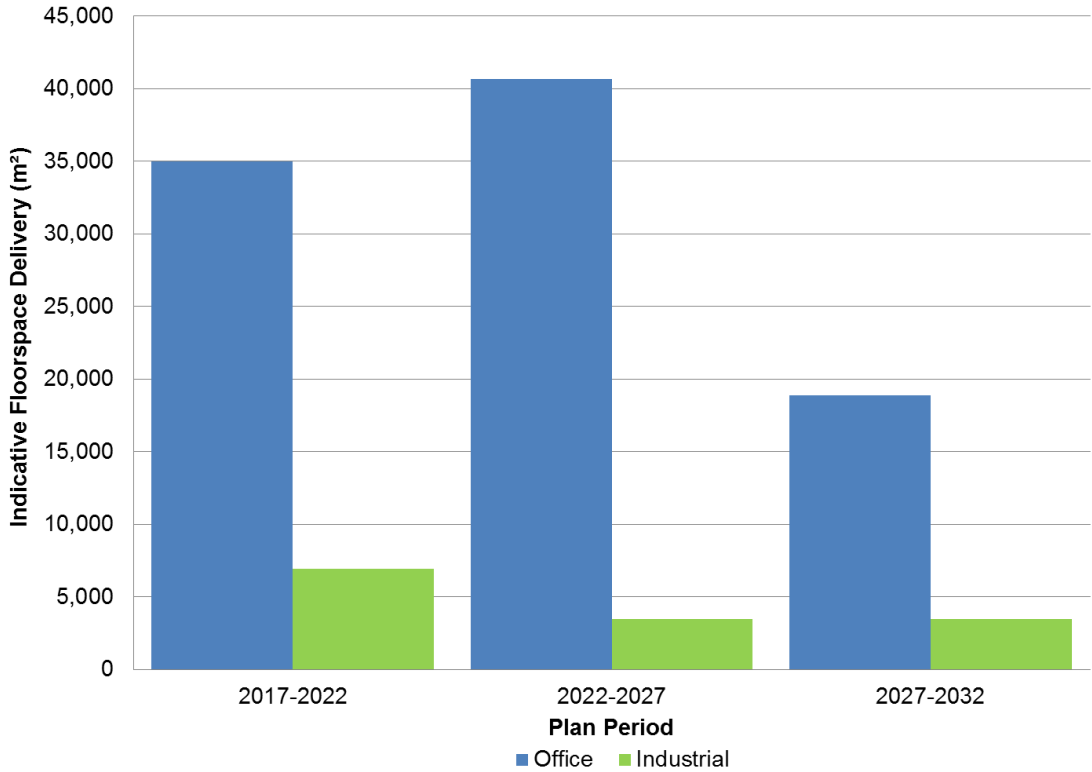
the permitted change of use from offices to residential and altering the deadline so that those developments³ must now be completed within three years of the prior approval date rather than residential use needing to have begun by 30th May 2016. There is an Article 4 direction to remove these permitted development rights and planning permission is required for a change from office to residential in three parts of the city;

- Central Brighton, New England Quarter and London Road Area
- Edward Street Quarter, Edward Street, Brighton
- City Park, The Droveaway, Hove

2. Business Development

The following section summarises the development of employment floorspace in the city in 2016/17. Use classes for employment floorspace include B1a (Offices), B1b (Research & Development), B1c (Light Industry), B2 (general industrial) and B8 (storage and distribution). The protection of employment sites and premises and the development of new high quality employment space are fundamental to the economic wellbeing of the city to allow businesses to prosper and grow. The City Council endeavours to safeguard employment floorspace that is not genuinely redundant through the application of Development Area, Special Area and city-wide City Plan planning policies⁴ as well as retained policies in the Local Plan⁵, while monitoring the impact of permitted development rights.

Chart 1: Indicative Delivery Trajectory for Employment Land Supply by Five-Year Period



DLP 2017

³ Assessed after 6 April 2016
⁴ [Brighton & Hove City Plan Part One \(March 2016\)](#)
⁵ [Brighton & Hove Local Plan Policies Retained on Adoption of the Brighton & Hove City Plan Part One \(March 2016\)](#)

The supply of employment land and premises is limited in the city. Policy CP3 ‘Employment Land’ of the City Plan Part One⁴; adopted in March 2016, sets out a framework to safeguard and upgrade current employment sites in the city and create new employment floorspace through the regeneration of key sites. The Authority Monitoring Report (AMR) will continue to monitor changes in business floorspace and assess the performance of relevant policies. An indicative Employment Land Supply Trajectory (Chart 1)⁶ has been prepared which will guide the monitoring of new employment floorspace delivery over the City Plan period to 2032 and was updated in December 2017. The updated monitoring indicates that 3,428m² office floorspace (no industrial) has been delivered on identified sites since the previous employment trajectory in 2013. The overall potential supply of employment floorspace has reduced; this largely reflects reduced levels of employment floorspace coming forward on certain strategic allocations and lapses of extant permissions. The trajectory expects 108,352m² of employment floorspace to be delivered to 2032, including 94,500m² of office space. In the next 5 years (2017-2022); 37 percent of the office floorspace is expected to be delivered and 50 percent of the expected industrial floorspace.

2.1 Completions

There was a net loss of employment floorspace in 2016/17 including a net loss of office floorspace (Chart 2).

Chart 2: Gains, Losses and Net Change of Employment floorspace 2016/17



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⁶ Brighton & Hove City Council Housing and Employment Land Study , DLP 2017

There were no completed developments with a net gain of over 1,000m² employment space. One development resulted in a 2,123m² loss of office space; the change of use of 157-159 Preston Road from offices to residential, via a prior approval applications. There were a total of 11 completions on sites with prior approval for the change of use from office to residential, in the monitoring year; contributing a 3,779m² net loss of office floorspace.

Chart 3: Employment Floorspace change, by type 2010/11 – 2016/17

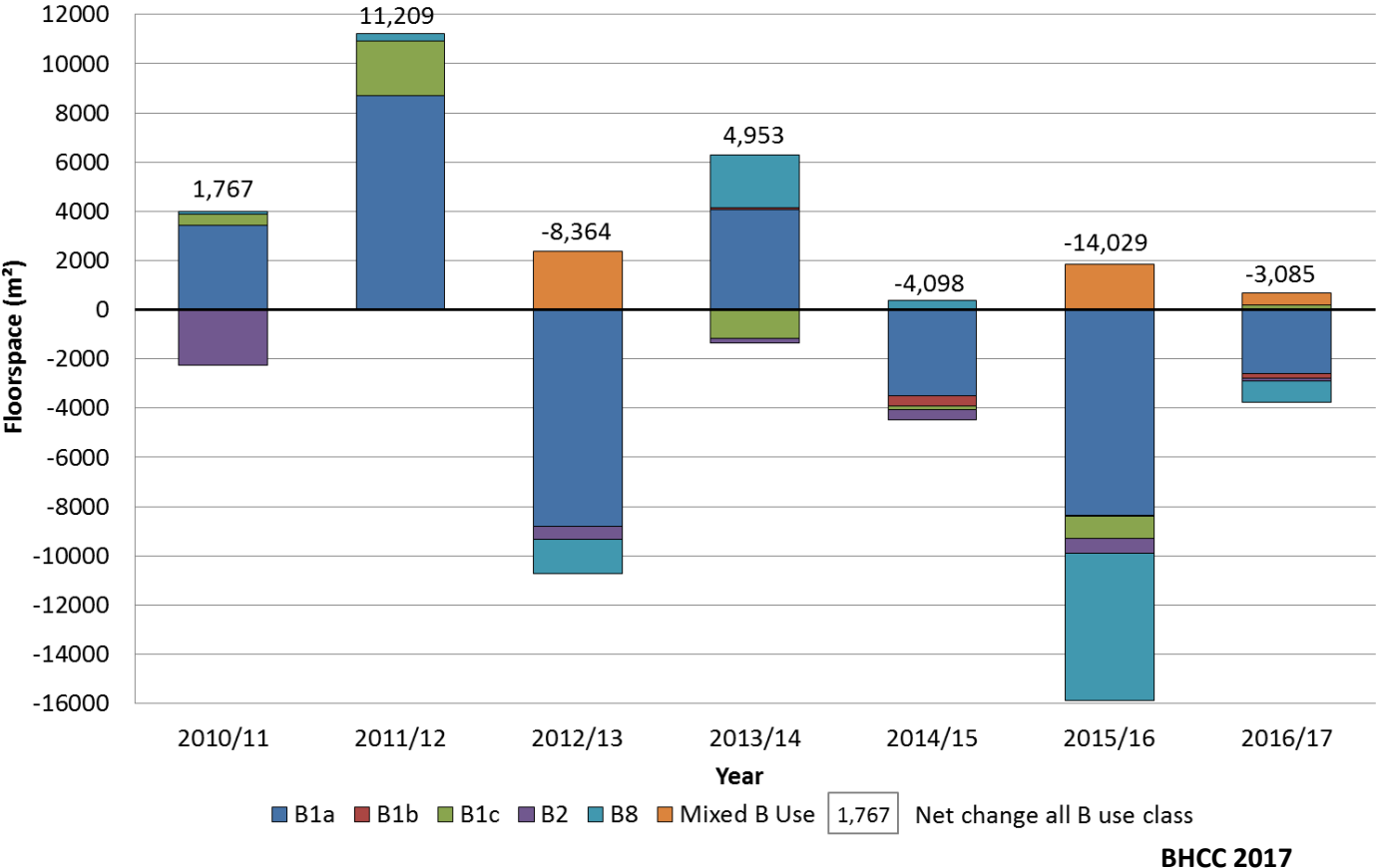


Chart 3 outlines the changes in employment floorspace since 2010/11. Since 2010/11 there has been a net loss of 11,648m² in employment floorspace. The data for 2011/12 takes into account the net gain of floorspace from the Amex office development once the original Amex building has also been demolished, as per the S106 agreement; demolition commenced in 2015/16.

Table 2: Total Employment Floorspace change, by type 2010/11 – 2016/17

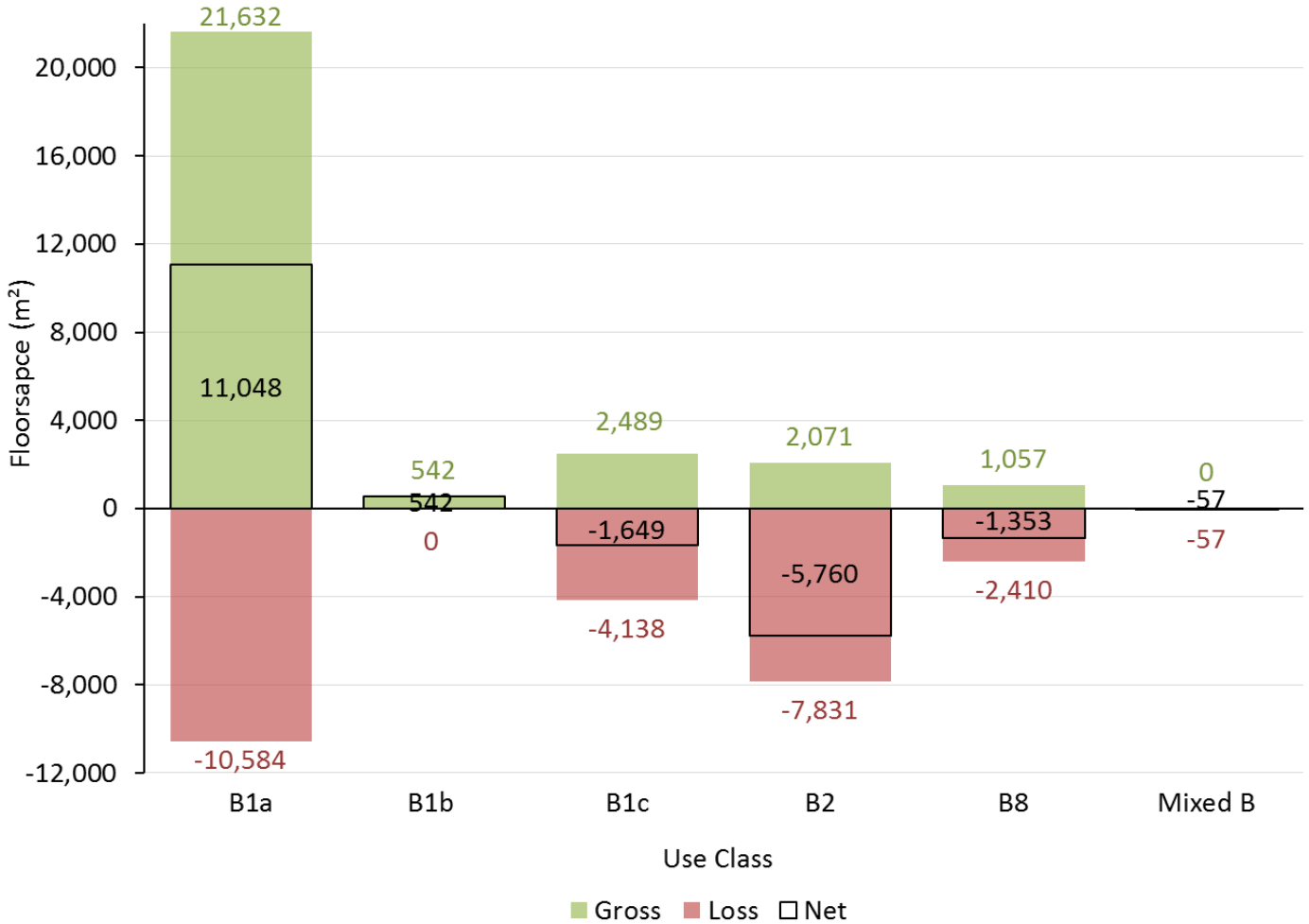
	B1a	B1b	B1c	B2	B8	Mixed B Use	Total
Net Floorspace Change	-4,470	-359	395	-3,900	-4,452	4,224	-11,648

Four of the past five monitoring years have experienced a net loss in employment space. This has contributed to a reducing five year net development rate. The net five year annual development rate for employment floorspace for the period 2012/13 to 2016/17 represents an average net loss of 4,925m². The net yearly development rate for office space since 2012/13 represents a net loss of 3,835m² per year.

2.2 Commencements

Developments under construction at the end of the monitoring year describe a more optimistic outlook for the delivery of employment floorspace as there will be a 2,771m² net gain of employment space when all commenced developments are completed (Chart 4).

Chart4: Potential Gains, Losses and Net Change of Employment floorspace from Developments Under Commencement 2016/17



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There will be an 11,048m² net increase of office floorspace on sites under construction at the end of 2016/17. Commencements on sites with a change in non-office employment floorspace, however will lead to an 8,277m² loss in employment floorspace.



Table 3: Large Employment Sites Under Commencement 2016/17

Application Number:	Address	Description:
BH2016/05493	Land At Station Street Blackman Street & Cheapside Brighton	Erection of 7 storey office building (B1)
BH2016/00040	Bingo Hall Fairway Trading Estate Moulsecoomb Way Brighton	Change of use from bingo hall (D2) to mixed use B1a/B1b/B1c/B2
BH2013/03461	Circus Street Development	Demolition of existing buildings and replacement with a mixed use development including a 7 storey office building
BH2010/03999	Site J Land East of Brighton Station New England Quarter Brighton	Mixed use development including office, hotel and flexible retail/cafe/office floorspace
BH2012/04044	9-16 Aldrington Basin/Land South of Kingsway Basin Road North Portslade	Demolition of business unit and erection of new building including mixed use A1/A3/B1/D1 premises. Change of use of existing showroom to storage (B8)
BH2016/01414	Unit 4, Home Farm Business Centre, Home Farm Road, Brighton	Change of use from light/general industrial (B1c/B2) to Class B1 use.

BHCC 2017**2.3 Decisions**

The planning applications approved in 2016/17 would lead to an overall loss in floorspace if all developments permitted, were completed. A 3,641m² net loss of employment floorspace was permitted; in addition to the losses permitted in 2014/15 and 2015/16. Despite 15,337m² of office space having been permitted in 2016/17, a loss of 15,582m² was also permitted, leaving a permitted net loss of 245m².

Table 4: Large Employment Sites Permitted 2016/17

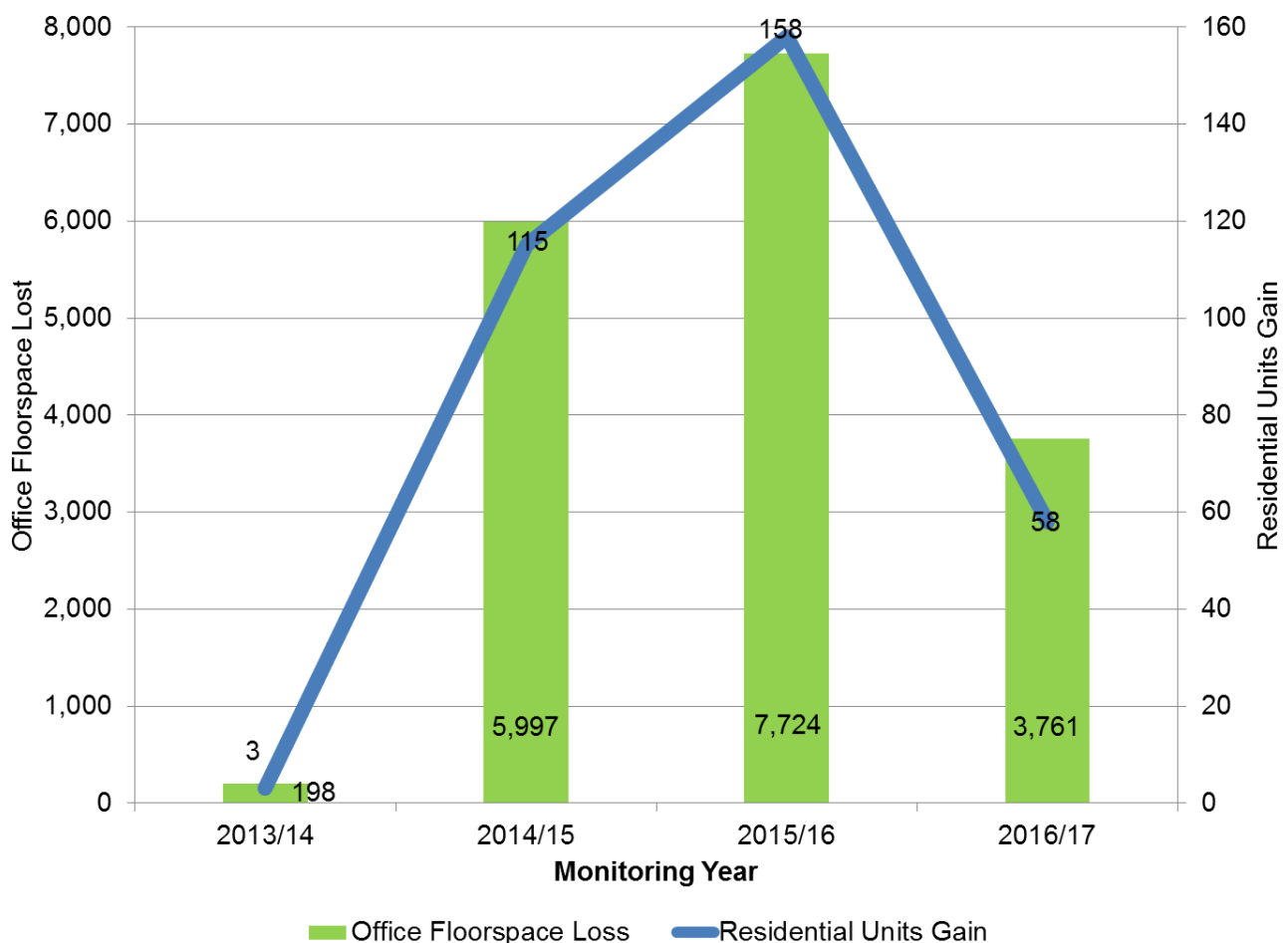
Application Number:	Address	Description:
BH2016/05493	Land At Station Street Blackman Street & Cheapside Brighton	Erection of 7 storey office building (B1)
BH2016/00040	Bingo Hall Fairway Trading Estate Moulsecoomb Way Brighton	Change of use from bingo hall (D2) to mixed use B1a/B1b/B1c/B2
BH2016/01414	Unit 4, Home Farm Business Centre, Home Farm Road, Brighton	Change of use from light/general industrial (B1c/B2) to Class B1 use.

2.4 Prior Approval Change of Use Offices to Residential

The government introduced changes to permitted development rights on 30 May 2013 which allows for offices to be converted to residential use without the need for planning permission. The new permitted development right was made permanent in April 2016.

During the monitoring period 1st June 2013 and 31st March 2017 the council has approved 101 prior approval applications for the change of use from office to residential. Of those approved applications 55 have been completed leading to a 17,680m² loss of office space for a gain of 334 residential units. There are a further 9 applications which have commenced in site; with a potential 9,258m² loss of office space.

Chart 4: Permitted Development Office to Residential Completions 2013/14 to 2016/17



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Despite contributing an additional 334 residential units to the city's housing stock these permitted development rights also create the potential for a loss of functioning office accommodation at a time when there is a continued demand for office space and levels of vacant office space are low⁷.

Since April 2015 temporary permitted development rights have also applied to the change of use of premises from a B8 storage and distribution use, under 500m², to C3 residential use, although only two of the twelve applications, which have since been submitted, have been approved.

⁷ [Brighton & Hove AMR 2015-2016 Non-Residential Development \(BHCC 2016\)](#)

3. Shops, Services, Food and Drink Developments

The following section will summarise the development of retail and non retail 'A use class' floorspace in the city in 2016/17. The use class for retail floorspace is A1 (Shops) and non-retail A use classes include the use classes; A2 (Financial and professional services), A3 (Restaurants and cafés), A4 (Drinking establishments) and A5 (Hot food takeaways).

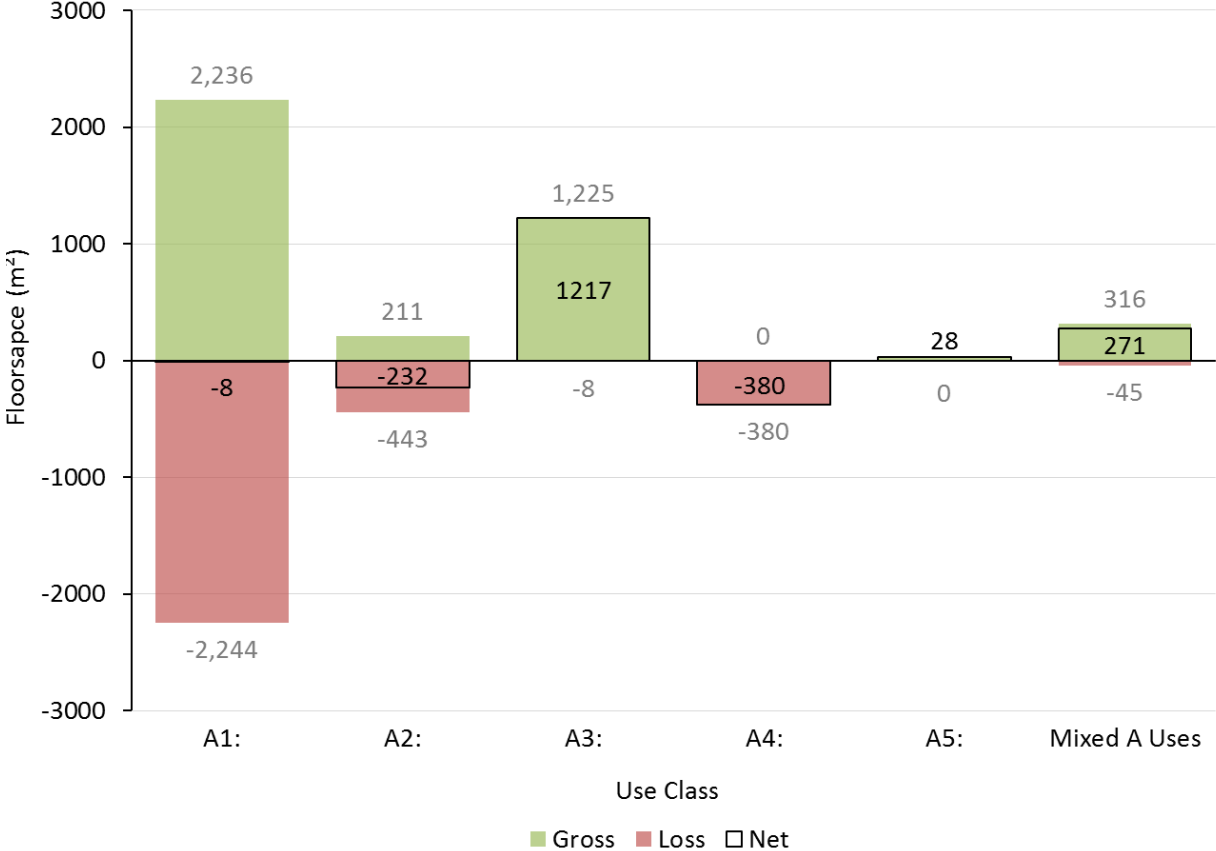
Retail need to 2030 has been estimated at 58,313m² of comparison floorspace and 2,967m² of convenience retail. New retail development will be directed to the city's existing retail centres in particular the Brighton Centre to consolidate and enhance its role as a regional shopping centre⁴.

3.1 Completions

There was a net increase of 896m² in all shop, services and food and drink floorspace in 2016/17. The greatest net increase was a 1,217m² net increase of restaurant and café floorspace; this was in addition to the 1,273m² net gain of A3 floorspace in the previous monitoring year.

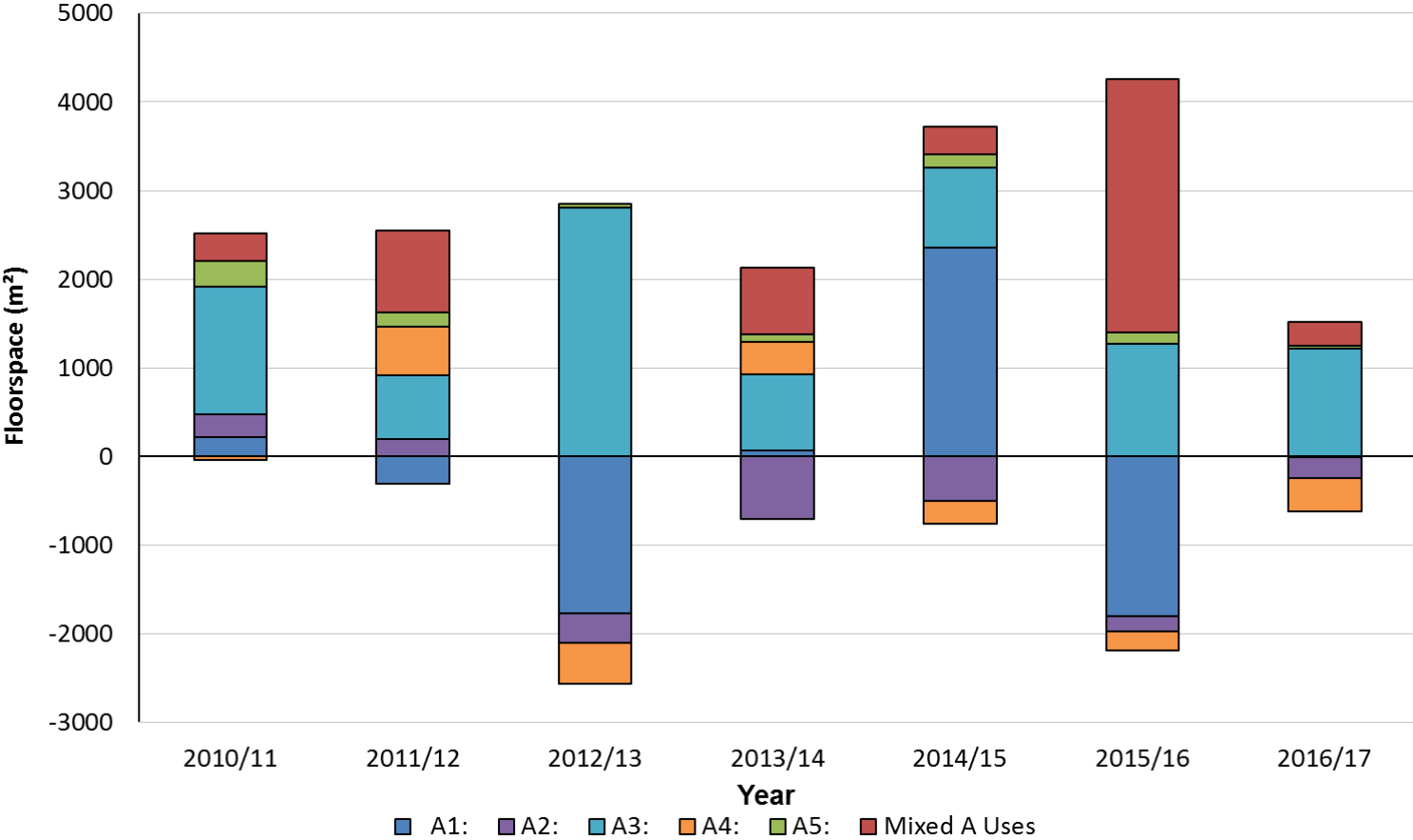
There was very little change in retail floorspace in 2016/17 as a gain of 2,236m² gross floorspace was balanced by a loss of 2,244m² in the same period. There was also a gain of floorspace with mixed A uses and net losses of financial and professional services and drinking establishment floorspace (Chart 5).

Chart 5: Change in floorspace of A1 retail and non-retail A use classes



There were no major retail developments completed in 2016/17. The largest increase in A1 floorspace was through the extension of PC World at 274 Old Shoreham Road; increasing the tradeable retail area by 836m².

Chart 6: Change in floorspace of A1 retail and non-retail A use classes 2010-2017



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There has been a net gain in restaurant floorspace in every year since 2010/11 (Chart 6). 2016/17 was the fourth time in seven years a loss in retail floorspace has been recorded, although the gain was almost equal to the loss in this monitoring year. Over the past seven years there has been an overall net increase of 11,874m² in shop, services and food and drink floorspace, the majority of which has been through increases in restaurant, café and hot food takeaway floorspace. In contrast there has been a 2,726m² loss in shops and financial and professional service floorspace. There has, however, been a 5,439m² increase in mixed A use class floorspace some of which includes A1 and A2 space; although almost half can be attributed to the units which were subsequently restaurants at the Marina Outer Harbour. A uses were also completed on mixed use sites with non-A use classes of which there was a 359m² increase in 2016/17.

3.2 Commencements

Once completed, the shops, services and food and drink developments which were under construction, but not completed, in the monitoring year, would lead to a 2,362m² net loss of floorspace. This consists of a potential 9,102m² loss of retail floorspace; of which a

reduction of 7,361m² is through the loss of retail floorspace from the demolition of the existing buildings at Circus Street. 5,399m² of restaurant and café floorspace was being created at the end of 2016/17

3.3 Decisions

A 4,090m² net gain of shops, services and food and drink floorspace was permitted in 2016/17. This gain is comprised predominantly by permissions for an overall 3,982m² net gain of restaurant and café floorspace as well as for 2,096m² of mixed A use. Overall; a 1,186m² net loss of retail shop and a 318m² loss in drinking establishment floorspace was also permitted.

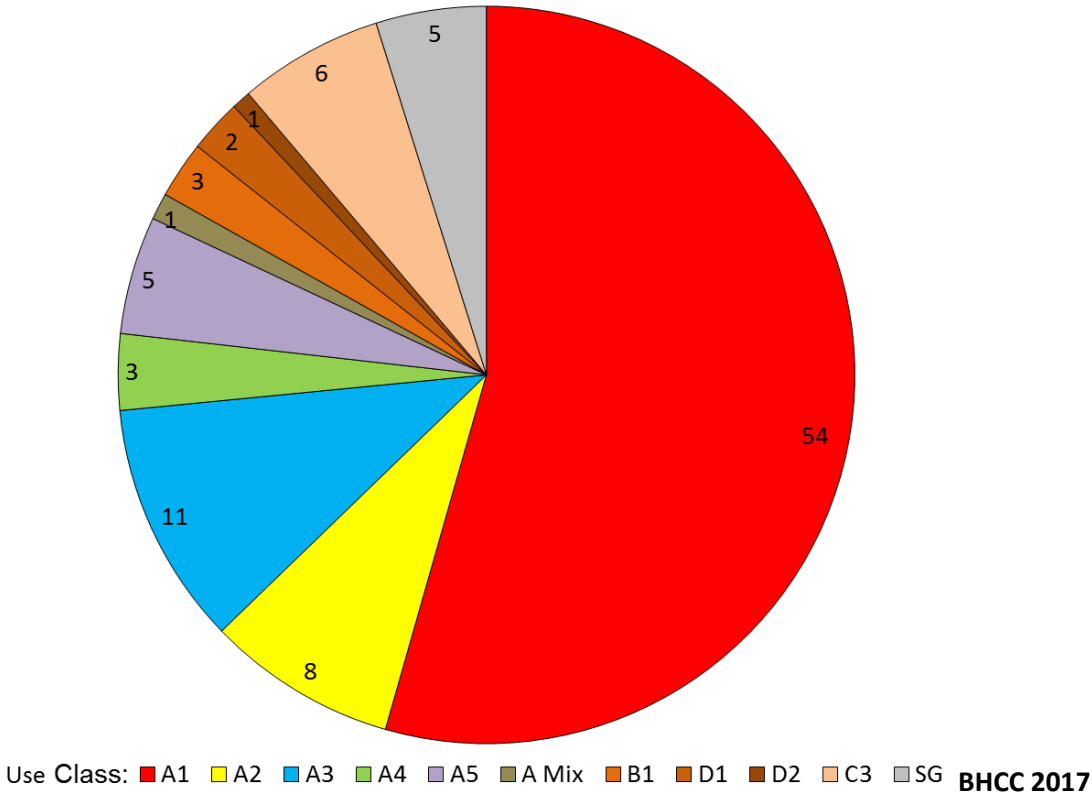
3.4 Prior Approval Change of Use Retail to Residential

Permitted development rights to allow a change of use from retail or financial and professional services to residential, when the area of floor space does not exceed 150m², came into force in April 2014. There was a 209m² loss of retail floorspace completed in 2016/17, due to permitted development to residential, through four developments.

3.5 Retail Health Check

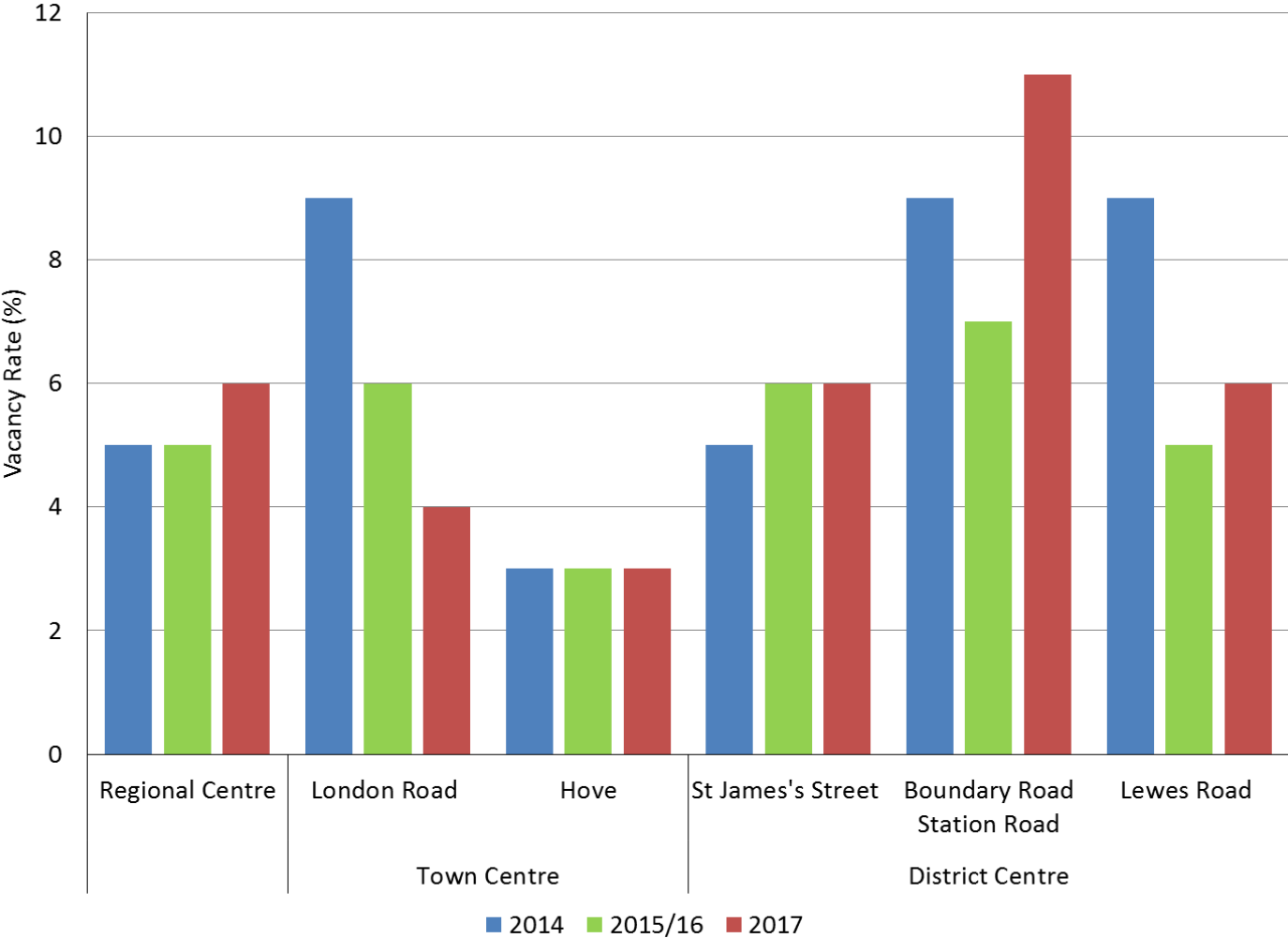
To safeguard the vitality and viability of Local, District, Town and Regional centres a retail centre health check is carried out. This monitoring informs the application decision process to keep the correct balance of uses in each centre. The most recent series of health checks were undertaken in 2017.

Chart 7: Percentage Unit Mix in Regional, District and Town Retail Centres 2017



In the Regional, District and Town Centres 54 percent of all units are shop units, this is a reduction on the proportion of retail units in the same centres in 2015/16. The combined vacancy rate of all Regional, District and Town Centres has increased to an average of six percent from five percent in 2015/16. There were 128 vacant units recorded in 2017; an increase on the 113 recorded in 2015/16. The increase in vacancy rate is most marked in the Boundary Road/Station Road District Centre in Portslade which has increased by four percent to 11 percent since 2015/16. There were also increases in vacancy in the Regional Centre and in Lewes Road, Brighton (Chart 8). The vacancy rate has steadily reduced in the London Road Centre from 9 percent in 2014 to four percent in 2017; a reduction from 26 vacant units to 10. The recent redevelopment of the former Co-op department store and the Open Market on London Road are likely to be contributing factors to the recovery of this centre.

Chart 8: Vacancy Rates in Retail Centres 2014 to 2017



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A1 retail use remains over 50 percent in all of these centres with the exception of Lewes Road, Brighton which reduced to 48 percent in 2017. Policies SR4, SR5 and SR6 of the Brighton & Hove Local Plan⁵ and policy CP4 of the City Plan Part One⁴ aim to maintain and enhance the designated shopping centres by preserving the predominance of A1 use

classes while encouraging a range of facilities and uses. Detailed policies regarding the appropriate mix of A1 and non-A1 uses will be set out in Part Two of the City Plan⁸.

3.6 Leisure and Cultural Developments

After an increase in D1 floorspace in the last monitoring year, 2016/17 saw a further significant 6,646m² net increase of D1 (Non-residential institutions) floorspace; delivered through a number of developments. The largest of which was 2,680m² through the provision of a new Advanced Engineering Centre at the University of Brighton, Lewes Road, Brighton.

3.7 Hotel Development

There were no completions for a gain in hotel bedrooms in 2016/17; there was, however, a loss of two bedspaces through the change of use of a bed and breakfast to residential. The construction of a 56 bedroom hotel on the site of the former ice rink at Queen Square, Brighton, and a 94 bedroom hotel on the Brighton Station Site J continued in 2016/17. There was 5,844m² of hotel floorspace with 146 bedrooms permitted in the monitoring year; with 133 bedrooms approved at a former nightclub at 78 West Street and 7-8 Middle Street, Brighton.



⁸ [City Plan Part Two \(Scoping Stage\)](#)



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