

Brighton & Hove City Council

Authority Monitoring Report 2021/22

Non-Residential Development

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1. Change of Use through Permitted Development

The majority of floorspace data in this section is gathered through monitoring planning applications. There are, however, changes which occur through permitted development rights (PDRs) that do not require planning permission and are more difficult to monitor. Some of these changes of use require prior approval from the Local Planning Authority and can therefore be monitored. Retail health-checks of shopping centres can also identify changes which may not have been identified through planning processes.

In September 2020 the use class order was amended to introduce a new Class E (commercial, business and service) and Class F (Local Community and Learning) use classes and revoke classes A, B1 and D. The new Class E incorporates the previous A1 (shops), A2 (professional and financial services), A3 (restaurants and cafes) and B1 (Business) use classes plus gyms, nurseries, and health centres previously in classes D1 (Non-residential institutions) and D2 (Assembly and leisure). Uses previously falling into A4 (drinking establishments) and A5 (hot food takeaways) as well as cinemas, concert, dance, and bingo halls are now Sui Generis uses. The analysis below includes changes of uses both prior to and after the change to the use class order and this will continue to be the case while applications submitted before September 2020 remain extant.

From August 2021 new permitted development rights came into force which reflected the 'new' use classes including the right to change use from the new 'E' use class to a C3 dwelling. These are summarised in Table 1 below.

Since 2013, changes of use from B1a offices to residential were allowed through permitted development subject to prior approval. The council introduced an Article 4 Direction in 2014 which removed these permitted development rights and required planning permission in three parts of the city. These were:

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

Office uses now fall under the wider Use Class E 'Commercial, business, and service' and following a transitional period, the Article 4 Direction lapsed on 31 July 2022.

A new permitted development right (Class MA) came into effect in 1st August 2021 which allows the change of use of E use to residential subject to conditions and prior approval. In February 2023 the council introduced a new Article 4 Direction which overrides the Class MA PDR in an area broadly corresponding to the previous office to residential Article 4 direction together with primary retail frontages within the city's retail centres and the city's local centres and parades.

Table 1: Summary of Permitted Development Rights relating to Changes of Use August 2021

From Use Class	To Use Class	
	Permanent	Temporary/Flexible
E commercial, business and service	C3 [1] (no more than 1,500m ²) A mixed SG use comprising a betting office or a pay day loan shop, or E and C3 up to 2 flats[1]	F1b/F1c/F1d/F1e [2]
Eb restaurants and cafes		SG (hot food takeaways) [3]
SG Public house, wine bar, or drinking establishment	SG Drinking establishment with expanded food provision.	
SG Drinking establishment with expanded food provision	SG A Public house, wine bar, or drinking establishment	
B2 (general industrial)	B8 (no more than 500m ²)	
SG (hot food takeaways)	E [1], C3 [1] (no more than 150m ²)	E/F1b/F1c/F1d/F1e [2]
SG (Agricultural Building)	C3 [1] (limit of five separate dwellings)	Flexible B8/C1/E [1] (no more than 500m ²)
SG (Amusement Arcade)	C3 [1] (no more than 150m ²)	
SG (Betting Office/Pay day loan)	E [1], C3 [1] (no more than 150m ²), D2 , A mixed SG use comprising a betting office or a pay day loan shop, or E and C3 up to 2 flats[1]	E/F1b/F1c/F1d/F1e [2]
SG (Casino)	E [1], C3 [1] (no more than 150m ²)	
SG (Launderette)	C3 [1] (no more than 150m ²)	
E/C1/C2/SG (Agricultural Building)	F1a [1] State funded School or registered nursery (no more than 500m ²)	

[1] Prior Approval required [2] For a temporary Period of three Years [3] Until March 2022

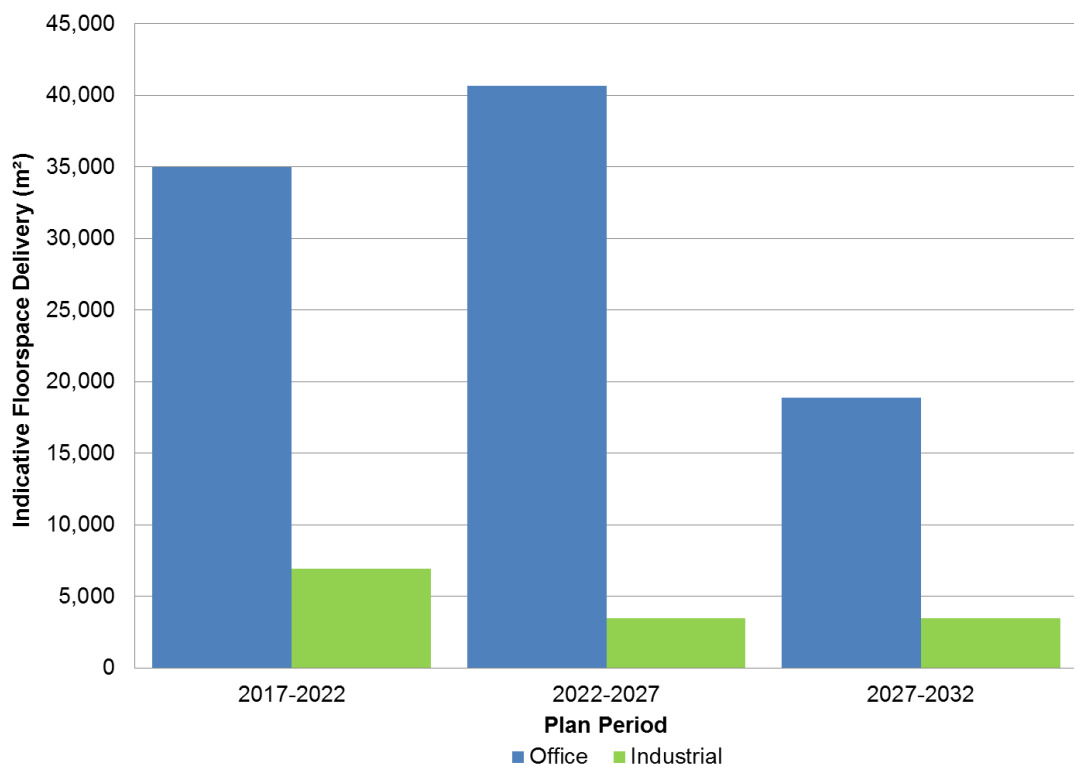
GDPO (as amended) MHCLG 2020

2. Business Development

This section summarises the development of employment floorspace in the city in 2021/22. Use classes for employment floorspace prior to September 2020 include B1a (Offices), B1b (Research & Development), B1c (Light Industry), B2 (general industrial) and B8 (storage and distribution). Since September 2020, B1a, B1b and B1c have been replaced by Eg(i) (offices), Eg(ii)(research and development) and Eg(iii) (industrial processes).

The supply of employment land and premises is limited in the city. Policy CP3 'Employment Land' of the City Plan Part One¹ (CPP1) 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. An indicative Employment Land Supply Trajectory (Chart 1) was updated in December 2017 which guides the monitoring of new employment floorspace delivery through the City Plan period to 2032². The trajectory was produced by looking at the potential supply of floorspace through strategic site allocations and extant permissions at the time it was produced. It does not consider overall city-wide windfall floorspace changes which are reported in the AMR.

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



Housing and Employment Land Study DLP 2017

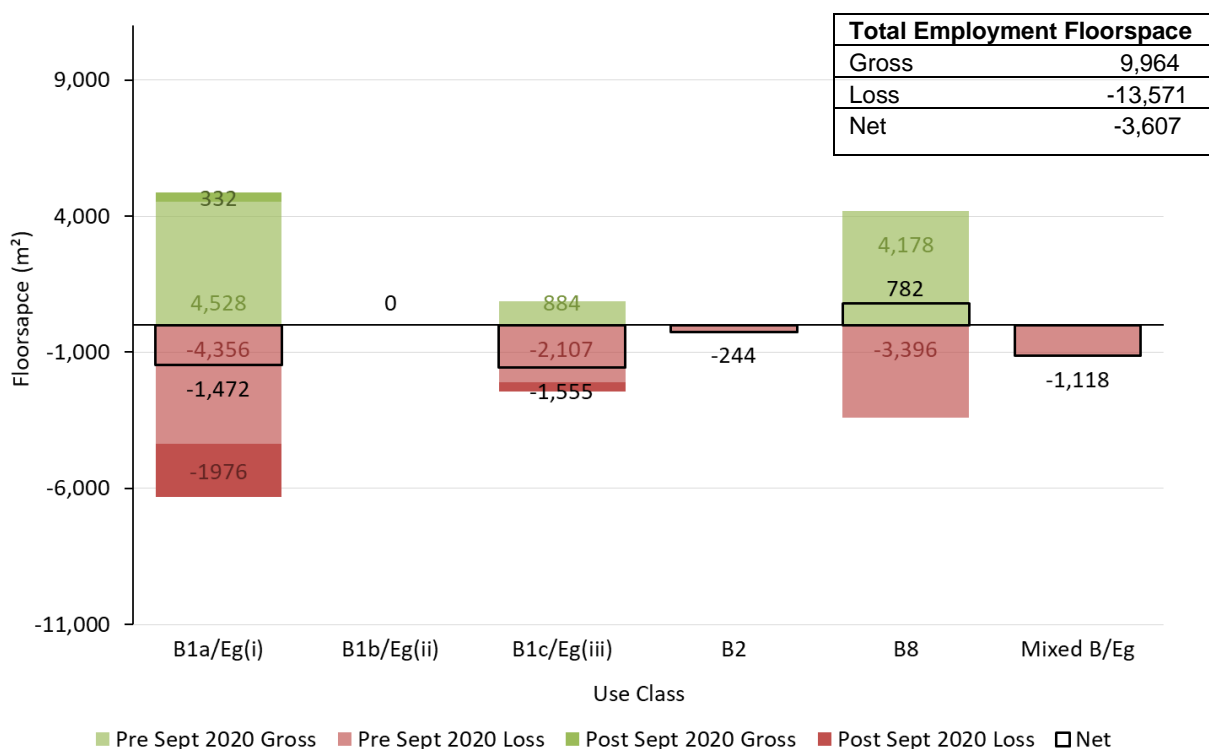
¹ [Brighton & Hove City Plan Part One \(March 2016\)](#)

² Brighton & Hove City Council Housing and Employment Land Study, DLP 2017

Completions

There was an overall net loss of 3,607m² in employment floorspace in 2021/22 (Chart 2). This included a net loss of 1,472m² of office space (4,860m² of new office space was provided while 6,332m² was lost to other uses). The loss of office floorspace was primarily due to completions on 153 Preston Road (prior approval change of use of former Natwest offices) and Rayford House, Hove (prior approval change of use). In addition, there was a net decrease in light industrial floorspace of 1,555m² which includes completions on the Freshfield Industrial Estate (DA5.C.4 strategic allocation, change of use to storage and distribution) and Westerman Complex, School Road (allocated under CP3.4 for mixed uses). There was a net gain of 782m² in storage and distribution mainly as a result of the new Big Yellow Storage completion on Old Shoreham Road.

Chart 2: Gains, Losses, and Net Change of Employment floorspace 2021/22



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Part three of City Plan Part One Policy CP3 'Employment Land' seeks to protect the listed primary industrial estates and business parks for business, manufacturing, and warehouse use. There was a 1,724m² loss of employment floorspace on these sites in 2021/22, as a result of loss of warehouse space through completions of the Brighton Film Studios and Blue Lagoon Swimming Centre at the Hyde Business Park in Bevendean.

There was a 1,183m² net gain of employment floorspace within the Policy SA2 Central Brighton area, much of which coming through roof extensions to existing offices on Black Lion Street and Nile Street to create additional office floorspace.

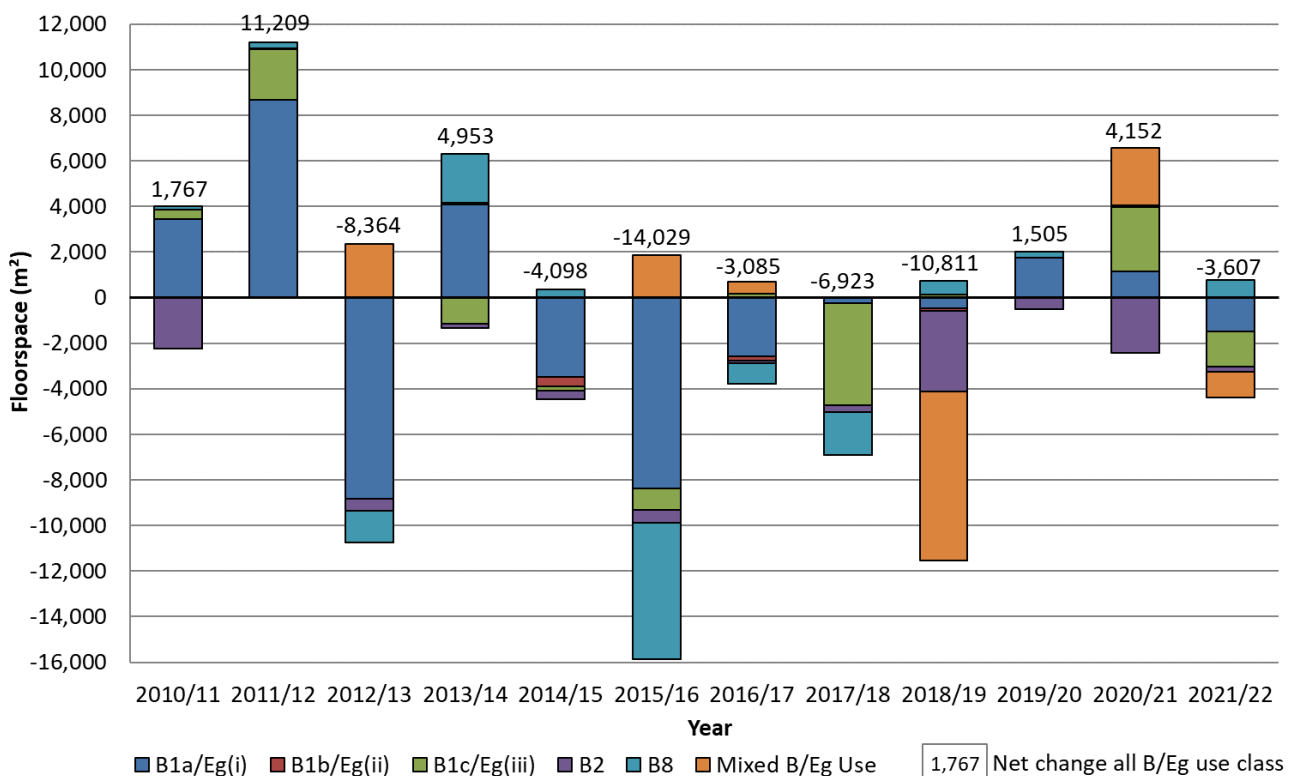
Table 3: Total Employment Floorspace change, by type 2010/11 – 2021/22

	B1a/Eg(i)	B1b/Eg(ii)	B1c/Eg(iii)	B2	B8	Mixed B/Eg Use	Total
Net Floorspace Change	-4,839	-668	-951	-10,759	-6,365	-142	-23,724

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Chart 3 outlines the changes in employment floorspace since 2010/11. There has been a net loss of 27,331m² in employment floorspace since 2010/11 (Table 3). The net decrease of employment floorspace in 2021/22 has unfortunately reversed a trend of a net gain of employment floorspace in the previous two monitoring years (Chart 3). There has been a 17,576m² loss of employment space over the past five years which represents an average annual net loss of 3,516m² of employment floorspace over that period.

Chart 3: Employment Floorspace change, by type 2010/11 – 2021/22

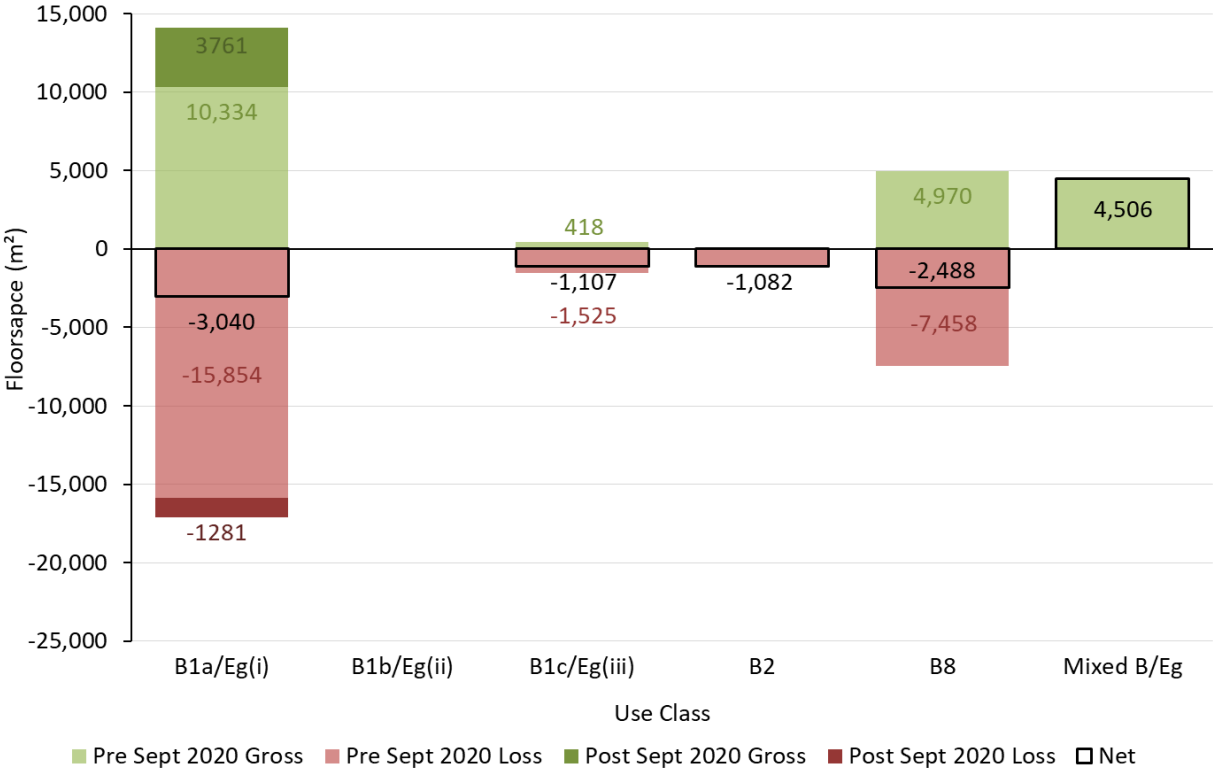


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Commencements

When all developments under commencement at the end of the monitoring year are completed, they will contribute to a 3,211m² net loss in employment space (Chart 4).

Chart 4: Potential Gains, Losses, and Net Change of Employment floorspace from Developments under Commencement 2021/22



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A large proportion of the loss of office floorspace is due to the continuing prior approval conversions of Crown House on Upper North Street, Brighton, and the Palmer & Harvey House on Davigdor Road, Hove. However, these losses will be reasonably offset by a speculative and purpose build Grade A four-storey office building at 27-31 Church Street, Brighton, and the change of use of Kings School, Portslade, to office floorspace.

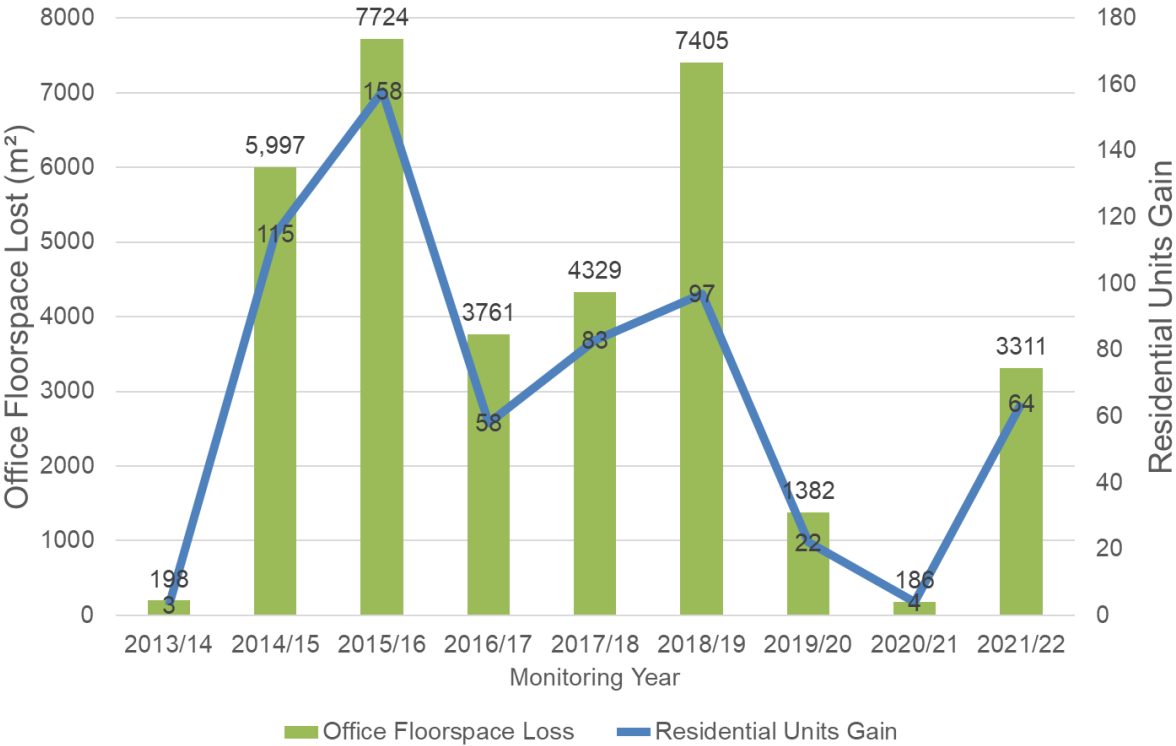
Decisions

Planning applications approved in 2021/22 would lead to a net 9,269m² loss in employment floorspace if all developments were constructed. This figure includes a net loss of 6,278m² in office floorspace (this includes prior approvals to residential for Preece House, Davigdor Road; Ridgeland House, Dyke Road; and Gemini Business Centre, Old Shoreham Road). A net loss of 868m² in light industrial space and a net loss of 2,017m² in storage and distribution floorspace was also approved.

Prior Approvals for Change of Use from Offices to Residential

The government introduced a permitted development right on 30 May 2013 (made permanent in April 2016) which allows conversions from offices to residential use without the need for planning permission. This PDR was superseded on 31 July 2021 by the PDR to change Use Class E uses to Residential which became effective on 1 August 2021 and is reflected in the 2021/22 monitoring year.

Chart 5: Permitted Development Office to Residential Completions 2013/14 to 2021/22



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Although these rights have facilitated additional residential development, they also result in a losses of office accommodation. It should be noted that the Class MA permitted development right has a threshold, limiting loss to up to 1,500 sqm in a single building and requiring an office to be vacant for 3 months.

Since the introduction of permitted development rights there has been a loss of 34,293m² of office space for the gain of 604 residential units. There was a significant increase in the completion of office to residential prior approval developments in 2021/22, with 64 residential units completed for a loss of 3,311m² of office floorspace (this includes B1a and Eg)(i) floorspace), predominantly through the completions of Shermond House on Boundary Road, Portslade and Rayford House on School Road, Hove (Chart 5).

3. Shops, Services, Food and Drink Developments

This section summarises the development of retail and non-retail 'A use class' floorspace in the city in 2021/22. 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). Since September 2020 A1, A2 and A3 have been replaced by E(a) (shops), E(b) (restaurants and cafés), E(c) (financial and professional services) while A4 and A5 are now sui generis uses.

The city's need for additional retail floorspace over the City Plan period was estimated in 2011 to be 58,313m² of comparison floorspace and 2,967m² of convenience retail³.

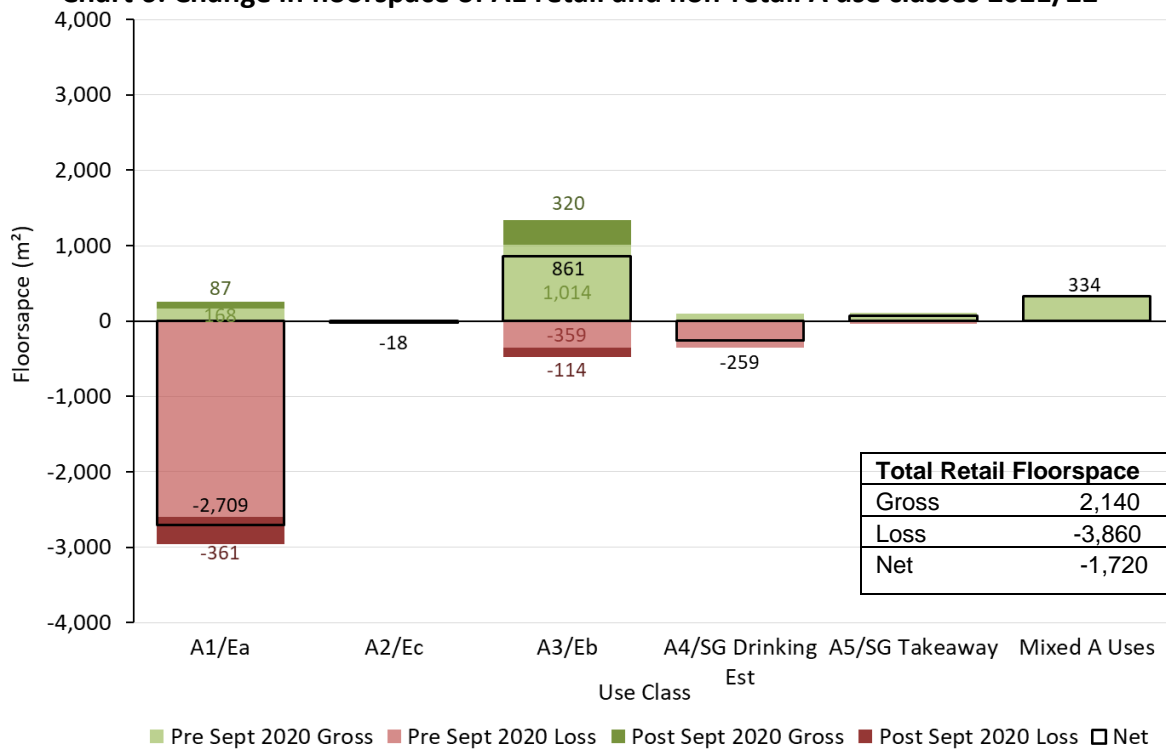
Completions

There was a net loss of 1,720m² in all shop, services and food and drink floorspace in 2021/22 (Chart 6). In terms of retail floorspace (A1/Ea), the net loss of 2,709m² includes the demolition of the existing shops at 118-132 London Road and the completion of student accommodation development (this development includes the reprovision of retail floorspace at ground floor level).

There was a higher net gain of shop, services and food and drink floorspace outside designated shopping centres in the city, identified in the City Plan (Table 4), in the monitoring year, than inside these centres. This was predominantly due to completions at mixed use developments including Edward Street and Preston Barracks.

³ Brighton & Hove City Council, Retail Study Update 2011, CBRE 2011

Chart 6: Change in floorspace of A1 retail and non-retail A use classes 2021/22



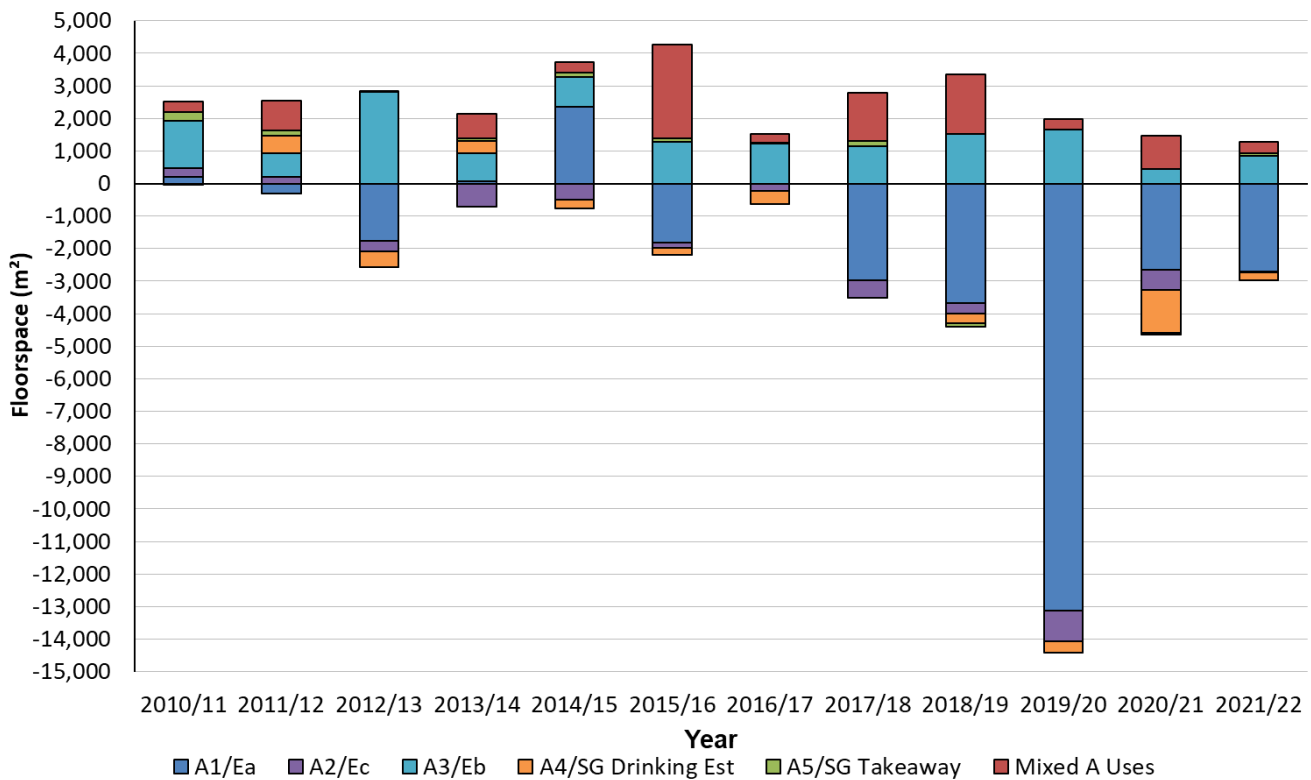
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Table 4: Shop, Services and Food and Drink Floorspace Completions within Designated Shopping Centres 2021/22

	A1/Ea	A2/Ec	A3/Eb	A4/SG Drinking	A5/ SG Takeaway	Mixed incl A/Ea/Eb/Ec Use	Total
Within Designated Shopping Centre	-423	-13	328	0	37	0	-71
Outside Designated Shopping Centre	-1800	-5	511	-259	-40	16396	14,803

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Chart 7: Change in floorspace of A1 retail and non-retail A use classes 2010-2022



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There has been a successive net loss of shop, services and food and drink floorspace, in the past five years after consistently increasing each year between 2010/11 and 2016/17. The monitoring year represented the third largest loss in the past ten years. There has been a total 26,404m² loss of retail floorspace since 2010/11. There has, however, been a year-on-year increase in mixed shop, services or food and drink floorspace with a total increase of 10,436m² since 2010/11. There has also been a net gain in restaurant floorspace of 14,856m² since 2010/11 (Chart 7) including 861m² in the 2021/22 monitoring year.

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 an additional 9,463m² net loss of floorspace, primarily due to the net loss of 8,893m² retail floorspace at the Sackville Trading Estate and Hove Goods Yard development.

Decisions

A 3,441m² net loss of shops, services and food and drink floorspace was permitted in 2021/22.

Prior Approval Change of Use Retail to Residential

Permitted development rights came into force in April 2014 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. There was a 194m² loss of retail floorspace completed in 2021/22 due to permitted development to residential through four applications, resulting in five new dwellings in total.

Retail Health Check

To safeguard the vitality and viability of Local, District, Town and Regional Centres as well as the newly identified Important Local Parades, retail centre health checks are carried out.

The health check monitoring informs the application decision process to keep the correct balance of uses in each centre. In 2022 health check monitoring covered the primary frontages of Regional, Town and District centres as well as the entirety of Local Centres and Important Local Parades.

7. Mixed Use Developments

There was a net gain of 16,362m² mixed-use development floorspace, which includes a mix of shops, services, food, and drink uses or employment uses with other use classes in 2021/22. This was predominantly due to completions at strategic development sites including Edward Street (DA5) and Preston Barracks (DA3).

8. Leisure and Cultural Developments

CPP1 Policy CP2 Planning for Sustainable Economic Development recognises the importance to the local economy of employment-generating uses which do not fall within the former B use Class uses. Certain strategic site allocations in City Plan Part 1 and City Plan Part 2 include non-B Class uses. Following the growth in non-residential institution (D1/Ee/Ef) floorspace over the past five monitoring years; 2021/22 saw a further 89m² net increase of floorspace.

There was a net increase of 1,586m² Assembly and Leisure floorspace (D2/F1/F2) in 2021/22. This included completions of the Brighton Film Studios and Blue Lagoon Swimming Centre at the Hyde Business Park in Bevendean.

9. Hotel Development

The Brighton & Hove Visitor Accommodation Study Update 2018 forecasted a need for a two new hotels⁴ in Brighton by 2022 in addition to the planned pipeline hotels that are set to open in the next 2-3 years⁵ with longer-term forecasts (2023-2030) indicating potential demand for further 4-8 hotels in the city. Given the sensitivity of the longer term forecasts the City Plan is guided by the low-growth forecast requirement of up to 5 new hotels over the plan period.

There was a decrease of 9 hotel bedrooms in 2021/22 after the Neo Hotel on Oriental Place, Brighton (within the CPP1 Hotel Core Zone) was converted to residential. There was a net increase of 422 bedrooms under commencement at the end of the monitoring year primarily through applications to the rear of Hilton Brighton Metropole, and West Street in Brighton.

⁴ Assuming an average size of hotel of 150 bedrooms

⁵ Including Hotel Indigo and the Premier Inn West Street.