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authority monitoring report

2018-2019

Non-Residential Development



Brighton & Hove
City Council

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Authority Monitoring Report 2018/19

Non-Residential Development

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1. Change of Use Permitted Development

1.0.1. 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.

Table 1: Change of Use Permitted Development after April 2015 and amendments

From Use Class	To Use Class	
	Permanent	Temporary ¹ /Flexible ²
A1 (Shops)	A2, A3*/C3* (no more than 150m ²), B1* (no more than 500m ²), D2* (no more than 200m ²), Mixed A1 or A2 use and C3 up to 2 flats	A2/A3/A5/B1/D1
A2 (professional and financial services)	A1, A3*/C3* (no more than 150m ²), B1* (no more than 500m ²) D2* (no more than 200m ²) Mixed A1 or A2 use and C3 up to 2 flat	A1/A3/A5/B1/D1
A3 (restaurants and cafes)	A1/A2	A1/A2/A5/B1/D1
A4 (drinking establishments)	A4 with A3	
A4 (drinking establishments) with A3 (restaurants and cafes)	A4	
A5 (hot food takeaways)	A1/A2/A3, B1* (no more than 500m ²), C3*	A1/A2/A3/B1/D1
B1 (B1a Offices, B1b Research & Development, B1c Light Industry)	B8 (no more than 500m ²) C3* (B1a plus B1c until Oct 2020)	A1/A2/A3/A5/D1
B2 (general industrial)	B1, B8 (no more than 500m ²)	
D1 (storage and distribution)		A1/A2/A3/A5/B1
D2 (storage and distribution)		A1/A2/A3/A5/B1/D1
B8 (storage and distribution)	B1, C3* (no more than 500m ² expired 10 th June 2019)	
SG (Agricultural Building)	A1*/A2*/ A3*/ B1*/B8*/C1*/D2* (no more than 500m ²) C3* (limit of five including no more than 100m ² , no more than three large - no more than 465m 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/A3* (no more than 150m ²) B1* (no more than 500m ²) 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 (Casino)	A3*/C3* (no more than 150m ²), D2	
SG (Launderette)	B1* (no more than 500m ²), C3* (no more than 150m ²)	
B1/C1/C2/D2/ SG (Agricultural Building)	D1* State funded School or registered nursery (no more than 500m ²)	

*Prior Approval Required

GDPO (as amended) MHCLG 2019

1.0.2. Changes to permitted development rights came into force in April 2015 with further amendments in April 2016, May 2017, April 2018 and May 2019³ these are simplified

¹ Only for a period of two years

² Only for a period of three years

and summarised in Table 1. Some permitted changes of use are subject to a prior approval procedure with the Local Planning Authority and can therefore 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.

- 1.0.3. The most recent updates to permitted change of use legislation to be reflected in the 2018/19 monitoring year came into force on 6 April 2018. This included allowing storage and distribution units (B8) to change to residential (C3) for a further year until June 2019.
- 1.0.4. The change of use from office to residential is permitted development subject to prior approval. There are however Article 4 directions to remove the permitted development rights from offices to residential and planning permission is required 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

- 2.0.1. The following section summarises the development of employment floorspace in the city in 2018/19. 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.
- 2.0.2. The supply of employment land and premises is limited in the city. Policy CP3 'Employment Land' of the City Plan Part One⁴ (CPP1), 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 indicated that 3,428m² office floorspace (no industrial) had been delivered on identified sites between the previous employment trajectory in 2013 and the updated trajectory in 2017. 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

³ [The Town and Country Planning \(General Permitted Development\) \(England\) Order 2015 and amendments](#)

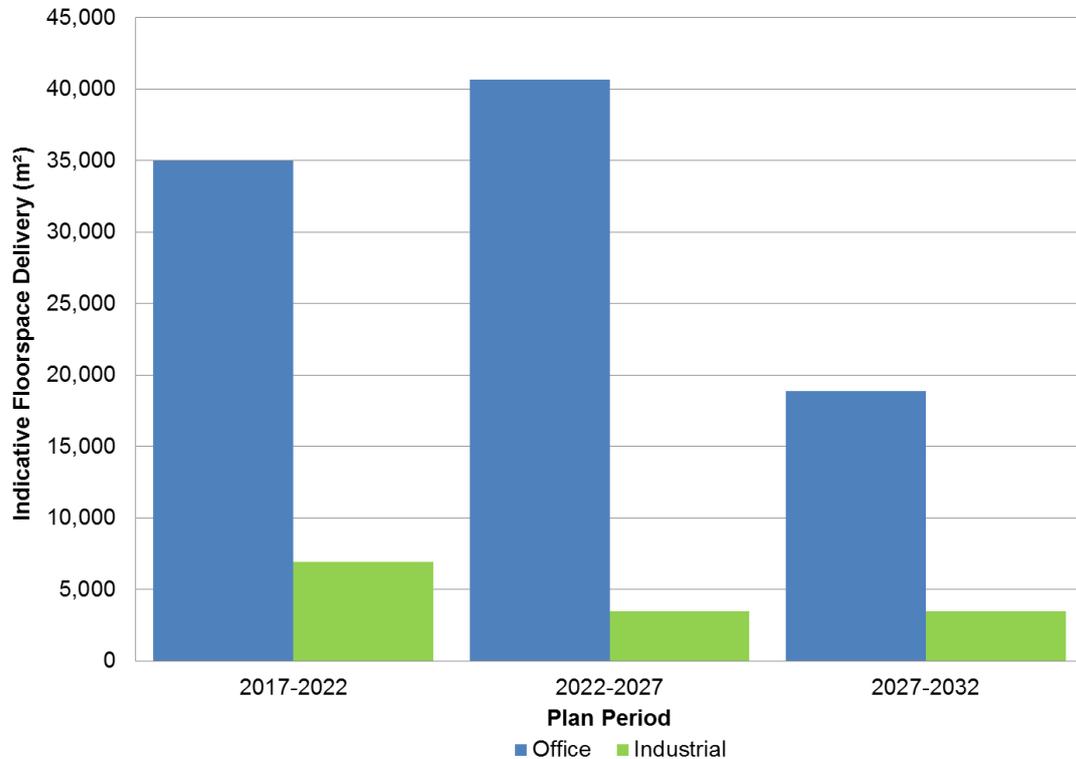
⁴ [Brighton & Hove City Plan Part One \(March 2016\)](#)

⁵ [Brighton & Hove Local Plan Policies Retained on Adoption of the Brighton & Hove City Plan Part One \(March 2016\)](#)

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

permissions. The trajectory expects 108,352m² of employment floorspace to be delivered to 2032, including 94,500m² of office space. In the first five years (2017-2022) 37 percent of the office floorspace and 50 percent of the expected industrial floorspace is expected to be delivered.

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



Housing and Employment Land Study DLP 2017

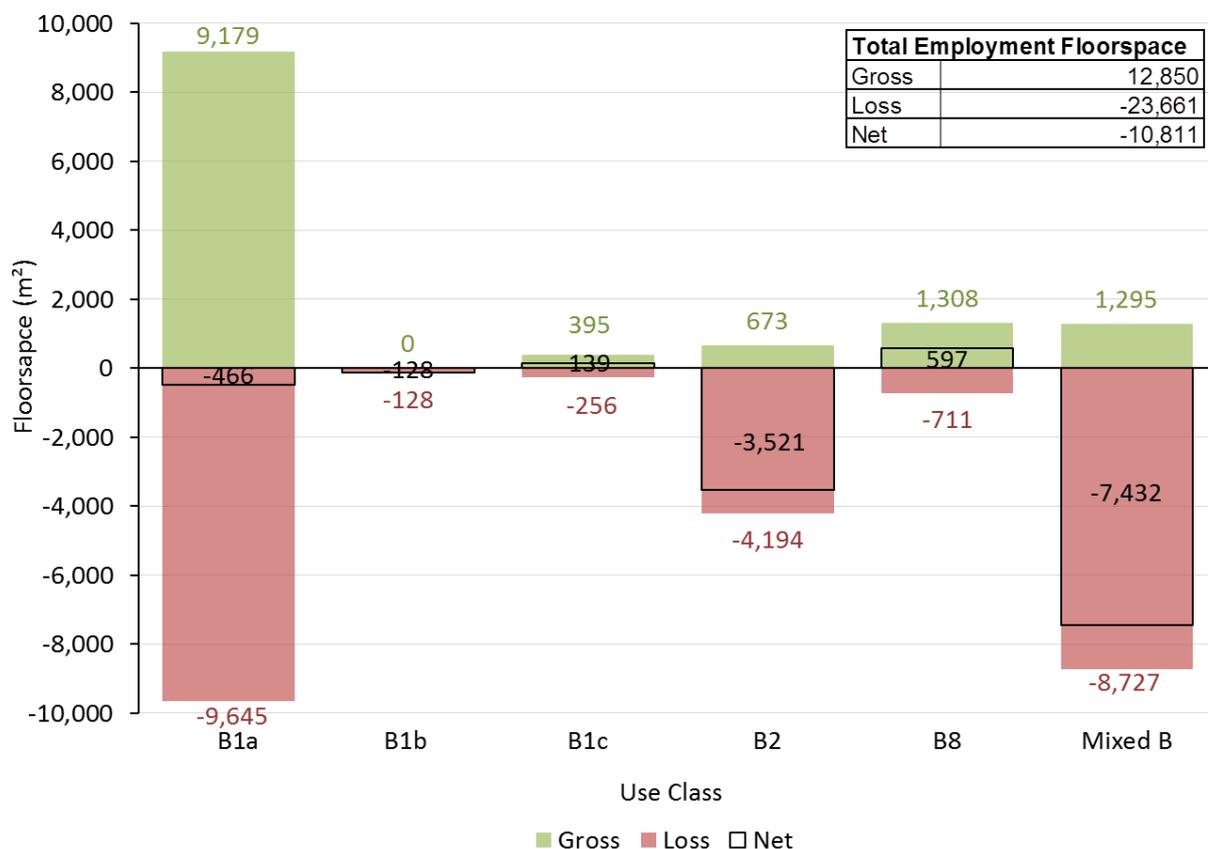
2.1 Completions

- 2.1.1 There was a significant net loss in employment floorspace in 2018/19 (Chart 2). The majority of this was due to the net loss of 7,432m² of mixed use employment floorspace, primarily due to the demolition of the northern section of Argus House on Crowhurst Road which is being replaced by a Sui Generis Garage Showroom (which will include elements of B1 and B8 floorspace). Over the same period there was a net loss of 466m² office floorspace; due to the gross gain of 9,179m² in office space counteracted by a 9,645m² loss of office space. There was also a notable net loss of 3,521m² floorspace in general industrial use. There were, however, net increases in light industry (139m²) and storage and distribution (597m²).
- 2.1.2 There was one completed development with a net gain of over 1,000m² of employment floorspace in 2018/19;
- Completion of a 7 storey office building (the Brinell Building) on land at Station Street, Blackman Street and Cheapside, Brighton; creating 7,523m² of Grade 'A' quality B1a floorspace.
- 2.1.3 There were three completed developments with a net loss of over 1,000m² of employment floorspace in 2018/19;

- Demolition of 8,670m² mixed use B1a, B2, B8 building on northern section of Argus House, Crowhurst Road, Brighton
- Prior Approval change of use of 4,859m² of Prestamex House, Preston Road, Brighton from office to residential use.
- Redevelopment of 3,700m² general industrial use to 59 flats and offices on CPP1 mixed use site allocation (CP3.4) at 70 Goldstone Lane, Hove.

The Prestamex House site originally secured prior approval before 25th July 2014 and the office premises was, therefore, excluded from the Article 4 Direction which removes permitted development rights in the Central Brighton, New England Quarter and London Road Area.

Chart 2: Gains, Losses and Net Change of Employment floorspace 2018/19



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- 2.1.4 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 7,255m² net loss of office floorspace. This loss comprises 75% of the total loss of office floorspace in 2018/19. There was a net gain of 6,789m² office space through completed full planning permissions, once the permitted change of use developments are omitted. There were also losses of 127m² light Industry and 30m² storage and distribution through permitted development to residential in 2018/19.
- 2.1.5 City Plan Part One⁴ policy CP3 'Employment Land' (at part three) seeks to protect the listed primary industrial estates and business parks for business, manufacturing and warehouse use. There was a 7,268m² net loss of employment floorspace on these sites in 2018/19. This was primarily due to the demolition of the northern section of Argus

House on Crowhurst Road. It is expected, however, that the car dealership under construction on the northern section of Argus House could generate a comparable amount of employment to the uses being lost and contains B8 workshop and B1 office space.

2.1.6 There was a net gain of 1,784m² office space in Development Areas in 2018/19 including 2,626m² within the DA4 'New England Quarter and London Road' area; the seven storey office building (the Brinell Building) at Station Street, Blackman Street and Cheapside was built in this area. There was, however, a loss of 1,164m² in employment space within the Development Areas with the greatest loss 3,731m² within the DA6 'Hove Station' area. There was a 299m² net gain in employment floorspace recorded within the SA2 City Centre area⁴ due to the erection of eight office units on North Road, Brighton.

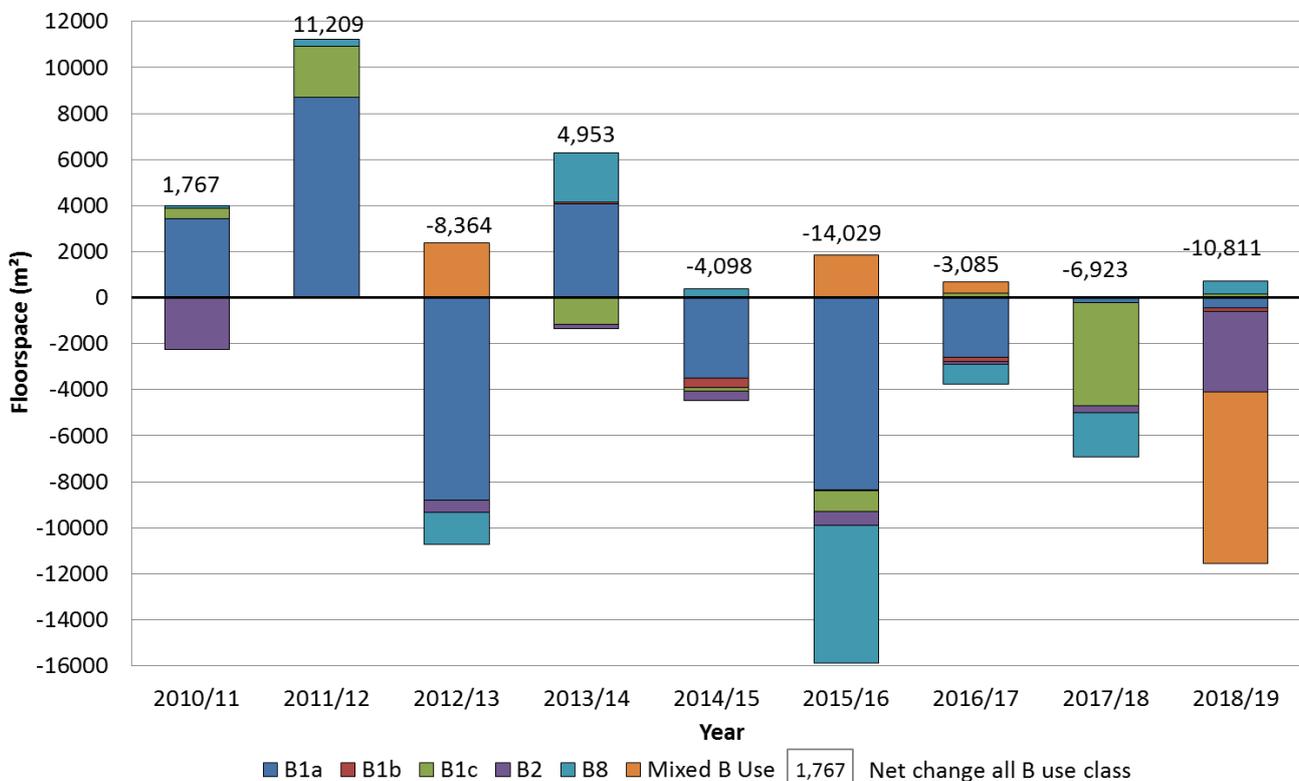
Table 2: Total Employment Floorspace change, by type 2010/11 – 2018/19

	B1a	B1b	B1c	B2	B8	Mixed B Use	Total
Net Floorspace Change	-7,744	-668	-3,761	-7,861	-6,647	-2,700	-29,381

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2.1.7 Chart 3 outlines the changes in employment floorspace since 2010/11. There has been a net loss of 29,381m² in employment floorspace since 2010/11 (Table 2) and there has been a net loss of employment space in each of the past five monitoring years. There have been significant net losses in each type of employment floorspace with a loss of 7,861m² light industry and 7,744m² office space in that time.

Chart 3: Employment Floorspace change, by type 2010/11 – 2018/19



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2.1.8 The greatest losses have been in the past five years and in that period employment floorspace has reduced by 38,944m². 15,118m² of the loss comprises office space; much of which is due to the impact of the office to residential permitted development rights. This has continued to reduce the net five year annual development rate for employment floorspace. The period 2014/15 to 2018/19 represents an average annual net loss of 7,789m² of employment floorspace and the net yearly development rate for office space since 2014/15 represents an average annual net loss of 3,024m² per year.

2.2 Commencements

2.2.1 There is some indication that developments under construction could mitigate some of the losses of previous years. When all developments under commencement at the end of the monitoring year are completed they will contribute to a 6,867m² net gain in employment space (Chart 4).

Chart 4: Potential Gains, Losses and Net Change of Employment floorspace from Developments under Commencement 2018/19



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2.2.2 This gain will include a 4,671m² net increase of office floorspace and a net increase of 5,801m² light industrial floorspace with an overall gain of 1,654m² in non-office employment floorspace. Two notable employment developments are being constructed on Lewes Road, Brighton on the Circus Street and Preston Barracks sites. There are currently non-office developments under construction, however, which will lead to a

2,471m² net loss of general industrial and a 1,677m² net loss of storage and distribution floorspace.

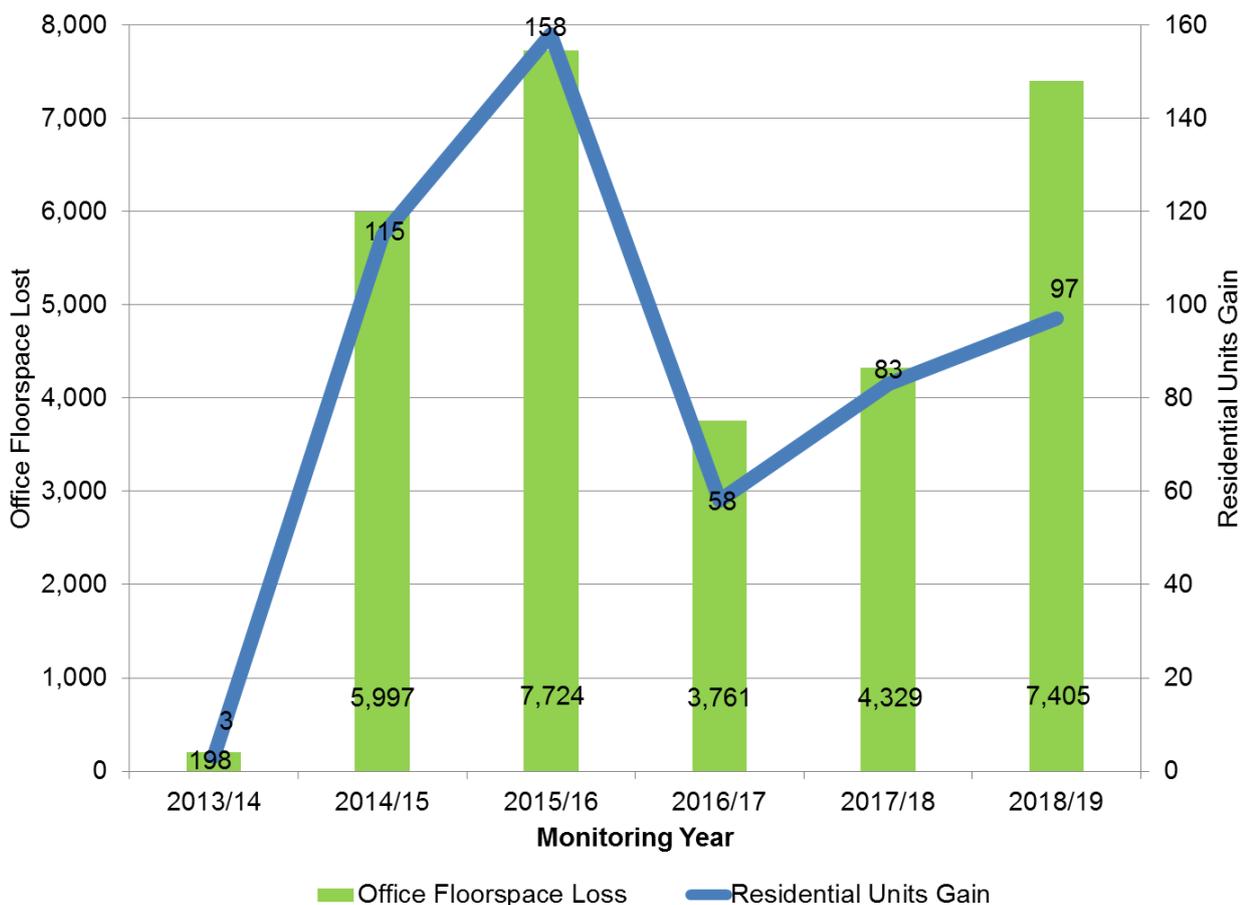
2.3 Decisions

2.3.1 Despite the positive outlook indicated by developments under construction in the monitoring year; losses have been permitted in the previous four years and planning applications approved in 2018/19 would lead to an overall loss in floorspace if all developments permitted were constructed. Overall, permissions, in the monitoring year, could potentially lead to a loss of 3,870m² employment floorspace. An overall net loss of 606m² office space was allowed despite a gross floorspace of 6,490m² having been permitted. The majority of potential floorspace loss was permitted through Prior Approval applications (-5,164 m²). Mixed employment floorspace was the only employment floorspace in which a net increase was permitted (1,241m²) in 2018/19. A net gain of 1,963m² of the employment space approved in the monitoring year has already been completed, including 930m² of storage and distribution and 1,295m² of mixed employment floorspace.

2.4 Prior Approval Change of Use Offices to Residential

2.4.1 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.

Chart 5: Permitted Development Office to Residential Completions 2013/14 to 2018/19



- 2.4.2 Although these rights have allowed additional residential units to be added 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. During the monitoring period 1st June 2013 and 31st March 2019 the council has approved 109 prior approval applications for the change of use from office to residential. Of those approved applications 77 have been completed leading to a 29,414m² loss of office space for a gain of 514 residential units. There were a further fourteen extant prior approval applications at the end of 2018/19 with a potential 13,037m² loss of office space.
- 2.4.3 From April 2015 until 10th June 2019 temporary permitted development rights applied to the change of use of premises from a B8 storage and distribution use, under 500m², to C3 residential use. Only five of the sixteen applications, which had been decided, by the end of 2018/19, have been approved. Three of those applications were approved in 2018/19 one of which has been completed for a 30m² loss of storage space. In addition; temporary permitted development rights have also applied, since October 2017, for the change of use of premises from a B1c light industrial use to C3 residential use, until 1st October 2020. Three applications had been decided by the end of 2018/19 with one approved for six residential units for the loss of 311m² light industrial space.



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

3. Shops, Services, Food and Drink Developments

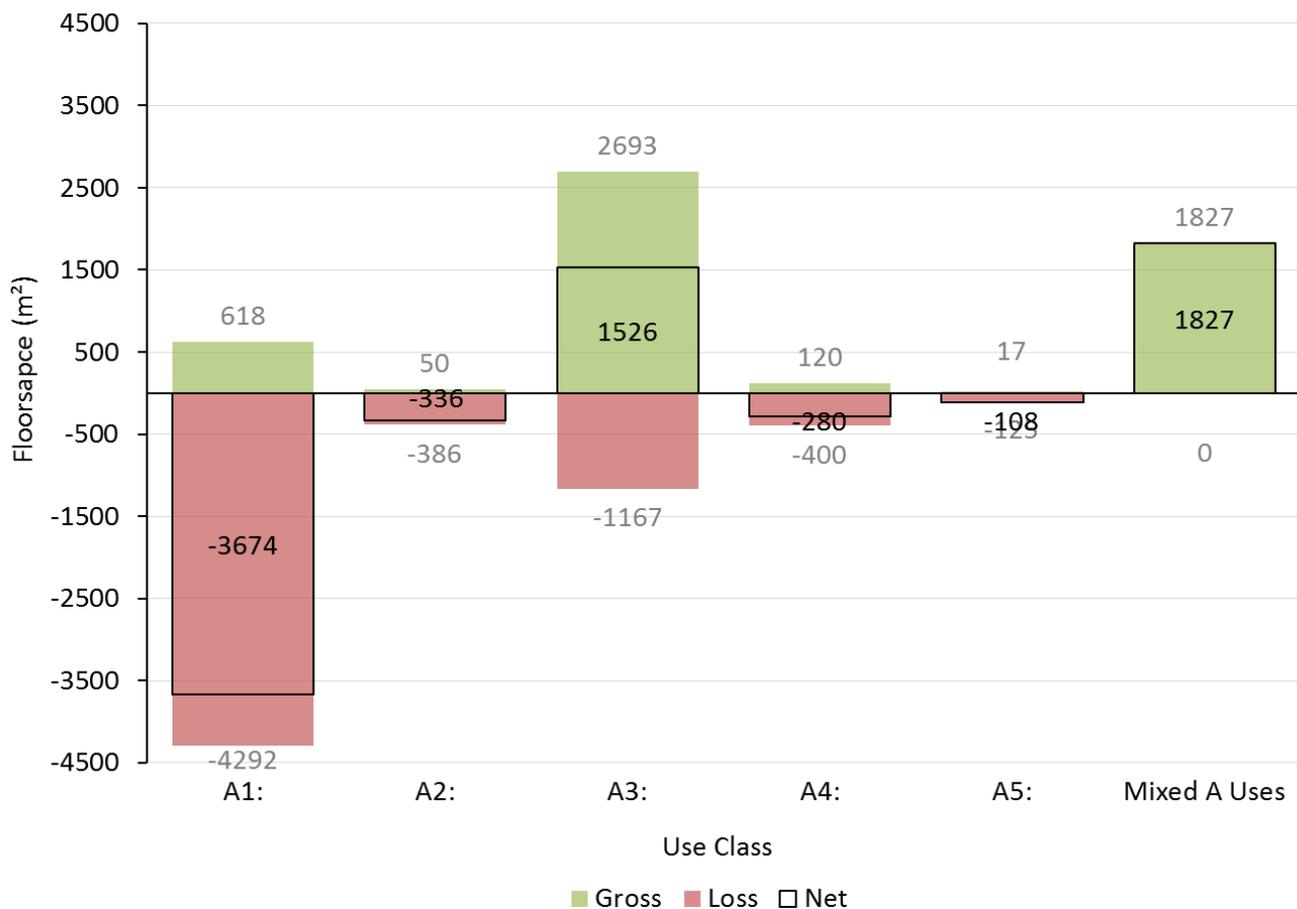
3.0.1. The following section will summarise the development of retail and non-retail 'A use class' floorspace in the city in 2018/19. The use class for retail floorspace is A1 (Shops) and non-retail A use classes include the use classes; A2 (Financial and professional services), A3 (Restaurants and cafés), A4 (Drinking establishments) and A5 (Hot food takeaways).

3.0.2. Retail need to 2030 has been estimated at 58,313m² of comparison floorspace and 2,967m² of convenience retail⁸. New retail development will be directed to the city's existing retail centres in particular the Brighton Regional Centre to consolidate and enhance its role as a regional shopping centre⁴.

3.1 Completions

3.1.1 There was a net loss of 1,044m² in all shop, services and food and drink floorspace in 2018/19. Despite this, the trend of increasing restaurant and café floorspace continued with a net increase of 1,526m² in the monitoring year, which is in addition to the 3,646m² net increase over the previous three monitoring years.

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



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⁸ Brighton & Hove City Council, Retail Study Update 2011, CBRE 2011

3.1.2 There was a 3,674 m² net loss of retail floorspace the majority of which was due to changes from retail floorspace to restaurant and café as well as changes to mixed use retail and restaurant and to residential units. There was also a net gain of mixed A use floorspace in the monitoring year (Chart 6) two thirds of which was from an increase in mixed use retail and restaurant so although there was a large loss in standalone retail provision some was retained through these mixed uses.

Table 3: Shop, Services and Food and Drink Floorspace Completions within Designated Shopping Centres 2018/19

	A1	A2	A3	A4	A5	Mixed incl A Use	Total
Within Designated Shopping Centre	-2,991	-208	2,061	22	0	897	-219
Outside Designated Shopping Centre	-683	-128	-535	-302	-108	-7,156	-8,912

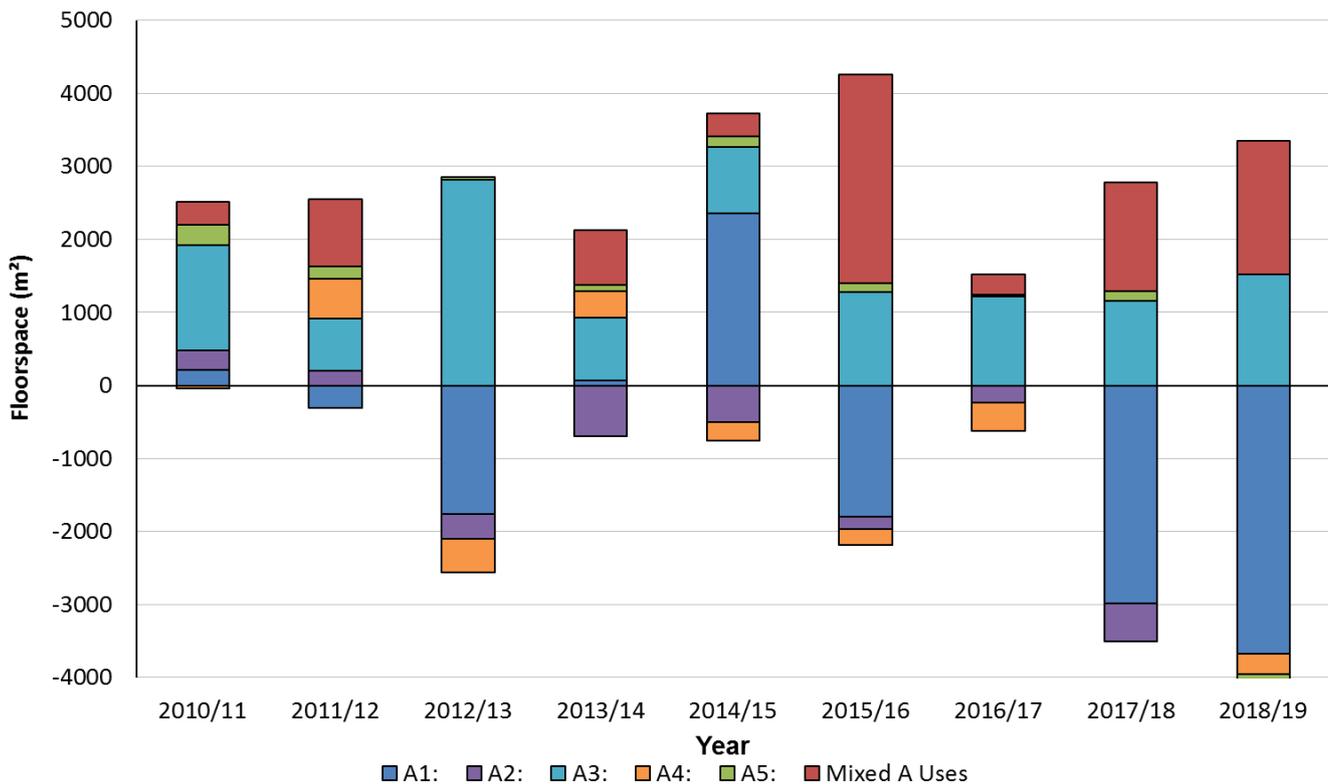
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3.1.3 The majority of the net loss of shop, services and food and drink floorspace in 2018/19 was located within designated shopping centres in the city, identified in the City Plan⁴(Table 3), the majority of which occurred in the Regional centre. The designated centres also saw the majority of the increase in restaurant and café floorspace as well as an increase in mixed uses which include an ‘A’ use. Outside the designated shopping centres there was a net decrease in all retail and non-retail ‘A use class’ floorspace with an overall loss of -8,912 m² of floorspace.

3.1.4 There were no major retail developments completed in 2018/19. The largest increase in A1 floorspace was through the ‘Hannington’s Lane’ development on North Street, Brighton; which increased the retail area by 425m².



Chart 7: Change in floorspace of A1 retail and non-retail A use classes 2010-2019



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3.1.5 For the second year in succession there has been a net loss of shop, services and food and drink floorspace, following a net increase each year between 2010/11 and 2016/17. As with the previous monitoring year this is primarily due to the loss of retail floorspace. The monitoring year represented the largest loss in the past nine years and is the sixth time a loss in retail floorspace has been recorded in this period. There has been a 7,914m² loss of shops and financial and professional service floorspace since 2010/11. There has, however, been an 8,756m² increase in mixed 'A' use class floorspace; some of which includes A1 and A2 space. In contrast there has been a net gain in restaurant floorspace in every year since 2010/11 (Chart 7). Increases in restaurant, café and hot food takeaway floorspace over the past nine years, along with gains in mixed 'A' floorspace, and to the detriment of retail floorspace, are the principal reason for an overall net increase of 10,114m² in shop, services and food and drink floorspace.

3.2 Commencements

3.2.1 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 5,861m² net loss of floorspace. There was 3,993m² of restaurant and café floorspace being created at the end of 2018/19. At the opposite end of the scale there is 11,865m² of retail floorspace being lost through commenced schemes; the main contributor to this is the demolition of the existing buildings at Circus Street which will lead to a reduction of 7,361m² of retail floorspace, once complete.

3.3 Decisions

3.3.1 A 3,644m² net loss of shops, services and food and drink floorspace was permitted in 2018/19. This loss is comprised predominantly by permissions for an overall 4,599m² net loss of retail shop floorspace. This is balanced by permissions for 1,454m² of restaurant and café floorspace and an 842m² net gain of floorspace with a mixed 'A' use.

3.4 Prior Approval Change of Use Retail to Residential

3.4.1 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 305m² loss of retail floorspace and 39m² loss financial and professional services completed in 2018/19, due to permitted development to residential, through six developments.

3.5 Prior Approval Change of from Retail to Financial and Professional Services or Restaurants and Cafés

3.5.1 Permitted development rights came into force in April 2015 to allow a change of use from retail shops to financial and professional services or restaurants and cafés when the area of floor space does not exceed 150m². There was a 393m² change from retail shop floorspace to restaurants and cafés completed in 2018/19 through three prior approval developments.

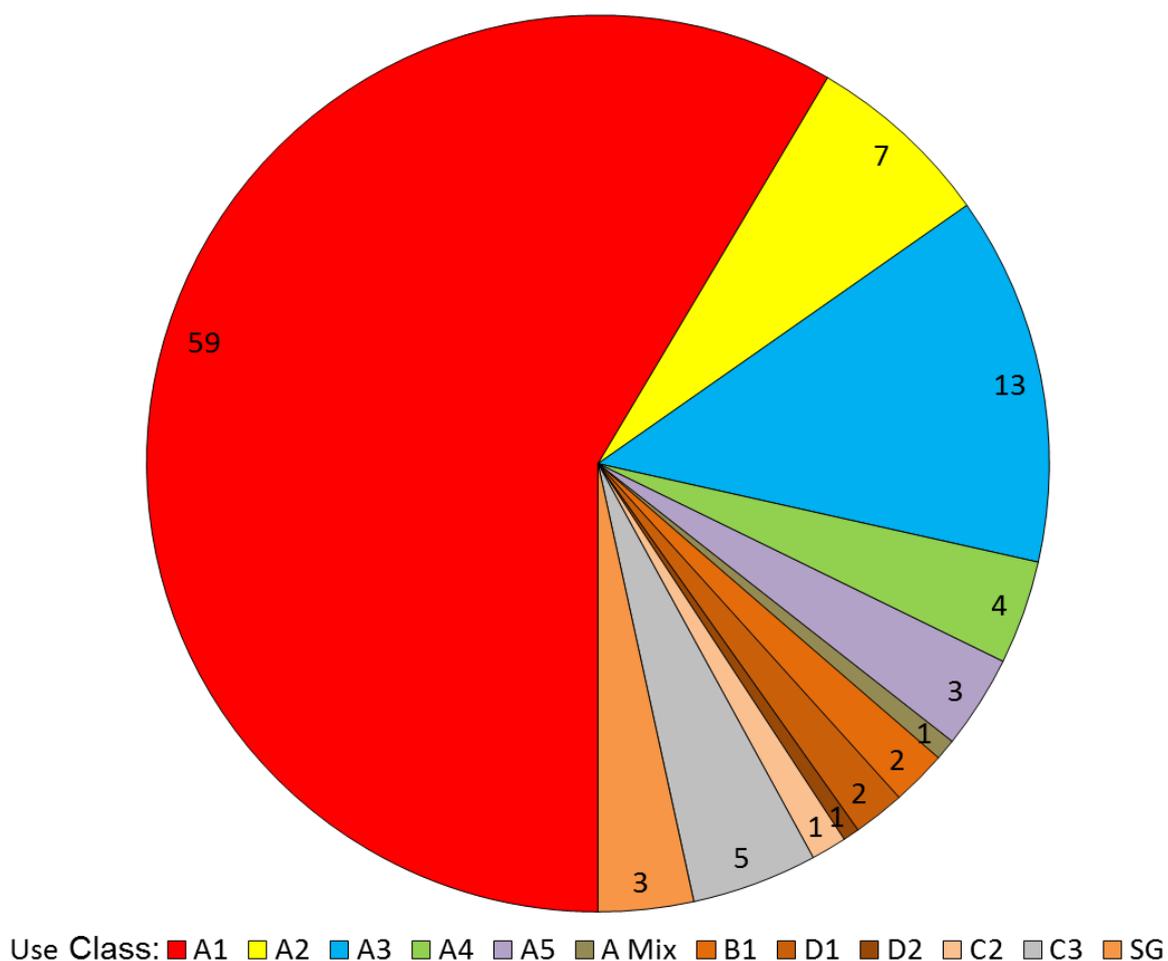
3.6 Retail Health Check

3.6.1 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 during 2018/19.



3.6.2 In the Regional, District and Town Centres 59 percent of all units were shop units in 2018/19 (Chart 8). This is a reduction on 60 percent in 2017 and 62 percent in 2014 while the number of restaurant and café units has increased. The combined vacancy rate of all Regional, District and Town Centres has remained at an average of six percent although the number of vacant units increased to 156 from 128 vacant units recorded in 2017. This increase is partly due to the lag between the creation of new units as part of the ‘Hannington’s Lane’ development in the Regional Centre and the time it is taking occupying those units. Vacancy rates in the Boundary Road/Station Road District Centre and London Road Town Centre improved between 2017 and 2018/19 (Chart 9).

Chart 8: Percentage Unit Mix in Regional, District and Town Retail Centres 2018/19

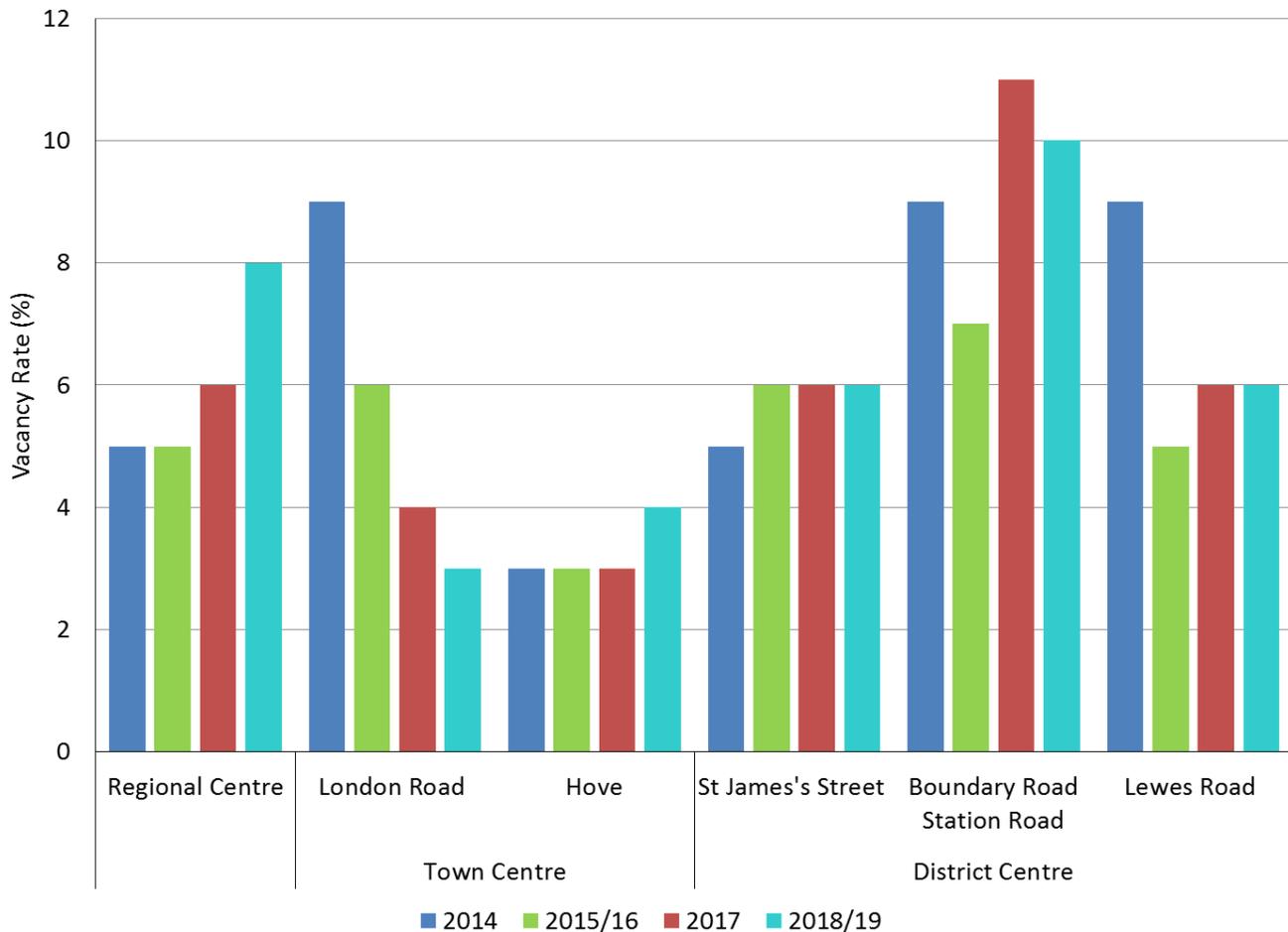


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3.6.3 The vacancy rate has steadily reduced in the London Road Town Centre from nine percent in 2014 to three percent in 2017; a reduction from 26 vacant units to eight; an improvement which follows recent redevelopment in the area including at the former Co-op building and the Open Market . There was an increase in the vacancy rate in Hove Town centre and the number of vacant units has risen from 10 in 2014 to 17 in 2018/19 (Chart 8). A1 retail use remains over 50 percent in all but one of these centres. The exception was Lewes Road District Centre with 49 percent A1 retail; although this was an increase on the 48 percent recorded 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 City Plan Part Two⁹.

Chart 9: Vacancy Rates in Retail Centres 2014 to 2018/19



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4. Mixed Use Developments

4.0.1. In addition to the developments of mixed 'A' shops, services, food and drink use and mixed 'B' employment uses completed in the monitoring year there were also mixed use developments including mixed 'A' or 'B' with other use classes. There was a net gain of 1,280m² in these types of development in 2018/19 all of which involved a type of employment use class and 544m² of which included a shops, services, food and drink use class.

⁹ [City Plan Part Two \(Draft Stage\)](#)

5. Leisure and Cultural Developments

- 5.0.1. Following the growth in non-residential institution (D1) floorspace over the past three monitoring years; 2018/19 saw a further 8,606m² net increase of floorspace. This included 6,917m² through the erection of further academic and sport buildings at Brighton College, Eastern Road, Brighton and 2,823 m² at BHASVIC college, Brighton.
- 5.0.2. A further 16,425m² of non-residential institution floorspace was under construction in 2018/19 which included the building of a nursery school, primary school and secondary school on Hangleton Way, Hove, and the redevelopment of the Preston Barracks and Circus Street sites in Brighton. After the significant net increase of Assembly and Leisure floorspace in 2017/18 there was a loss 597m² in the last monitoring year.

6. Hotel Development

- 6.0.1. There were 56 new hotel bedrooms completed in 2018/19 all of which came through the completion of a hotel on the site of the former ice rink at Queen Square, Brighton. There were 5 hotel bedrooms lost through the change of a guest house to residential.
- 6.0.2. There was a net increase of 118 hotel bedrooms under commencement in the monitoring year. There were no new hotels permitted in 2018/19.





**Brighton & Hove
City Council**