**Justification for removal of permitted development rights Class MA from light industrial, research and development and office use to residential outside Brent Local Plan SIL and LSIS designations, site allocations and town centres.**

# **Background**

* 1. The Council is proposing that the permitted development rights (PDR) to change use from light industrial, research and development and office uses (all uses within Use Class E (g) to dwellings (Class MA of the General Permitted Development Order (GDPO)) in areas outside Strategic Industrial Locations (SIL) and Locally Significant Industrial Sites (LSIS) designations, site allocations and town centres as defined in the draft Brent Local Plan and shown in Appendix 1 are removed. The implications of this are that such development will require planning permission. The Article 4 will be non-immediate and if confirmed following consultation feedback will come into effect from 1st August 2022.
	2. This is because the Council wants to ensure that the existing premises within Use Class E(g) are not lost to residential uses. The Council does not seek to underplay the importance of finding opportunities to provide new homes. Its draft Local Plan reflects the need to plan for a significant number of additional homes consistent with NPPF requirements. Meeting the need for additional homes is one of the Council’s main priorities set out in the Brent Corporate Plan ‘[Building a Better Brent Borough Plan 2021-22](https://www.brent.gov.uk/media/16417953/borough-plan-2021-22.pdf)’. The Local Plan however balances this against a range of other local priorities to create a place that meets its residents’, businesses’ and visitors’ needs.
	3. It should be noted that Brent has an excellent track record of housing delivery. The latest [MHCLG Housing Delivery Test 2020](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/953303/HDT_2020.ods) results indicated completions of 120% against development plan requirement targets. The draft Local Plan identifies in Appendix 4 sufficient projected delivery to meet longer term needs. More detail is set out in its associated [housing trajectory](https://www.brent.gov.uk/media/16418921/summary-version-of-trajectory-final_jan_21_pha_23.pdf). This shows a significant buffer of 24% against Brent’s London Plan minimum housing requirement for the period of 2019/20-2028/29 of 23,500 dwellings. On this basis the Council feels that its Local Plan policy approach which takes account of local circumstances and locally specific evidence base documents, balancing up a range of sustainable development factors should take precedence over a national approach of permitted development rights (PDR). These PDR are not reflective of an understanding of individual places. They potentially unfairly penalise localities that have taken difficult decisions and positively addressed meeting housing need, treating them the same as those that haven’t.

# **Retention of employment floorspace**

* 1. The unfettered loss of light industrial and office floorspace is and has been a concern to the Council. It undermines development plan policies which seek to retain the provision of sufficient space to meet identified needs for business. Requiring planning permission will allow retention where appropriate and enable the maximum replacement employment floorspace if sites are subsequently proposed for redevelopment through subsequent planning permissions.
	2. The need to re-provide the maximum viable amount of business use floorspace (particularly office, light industrial and research and development space) is required to sustain identified Brent and wider London employment floorspace needs. Meeting these needs is consistent with recently adopted [London Plan](https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf) Policies E4 ‘Land for industry, logistics and services to support London’s economic function’ and Policy E7 ‘Policy E7 Industrial intensification, co-location and substitution’. It also will assisting in delivering [draft Brent Local Plan](https://www.brent.gov.uk/media/16418933/brent-local-plan_combined_post-examination-_inspectors-mods_compressed.pdf) policies BE1 ‘Economic Growth And Employment Opportunities For All’, BE3 Local Employment Sites and other planning outcomes within draft Local Plan policies.
	3. It is consistent with the Secretary of State’s position in his direction DR4 on the London Plan industrial land policies, that within the National Planning Policy Framework “Paragraph 161 states that the authority must assess ‘the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs.’” The Council’s draft Local Plan policies reflect and have been justified and supported by independent examination using up to date evidence base studies as required by the NPPF.

# **Retention of light industrial**

* 1. The [London Industrial Land Demand Study (LILDS) 2017](https://www.london.gov.uk/sites/default/files/ilds_revised_final_report_october_2017.pdf) undertaken by CAG et al for the Greater London Authority (GLA) and supporting the London Plan 2021 identified the need for Brent to provide the equivalent of an additional 46.3 hectares of industrial land (or 300,950 sq.m. of industrial floorspace). The Council’s own evidence base [West London Employment Land Evidence 2019](https://www.brent.gov.uk/media/16415889/eb_e_11-west-london-employment-land-evidence.pdf) (WLELE) undertaken by GL Hearn concludes a significantly lower amount, but nevertheless an increase of a minimum of 0.6 hectares industrial (or 3,900 sq.m. of industrial floorspace). Policy BE1 of the Brent Local Plan as a compromise between the LILDS and WLELE, seeks to exceed 0.6 hectares. Nevertheless, against a sustained loss of industrial land and floorspace over the last three decades, no new additional sites being identified in the Brent Local Plan for industrial land and a reliance on the largely untested approach of intensification of industrial floorspace on sites with existing industrial premises, achieving any growth will be a challenge.
	2. The WLELE identified that approximately 32% or 221,000 sq.m. of industrial floorspace was outside designated sites. Local employment spaces are therefore a significant component of industrial premises supply in the borough. As can be seen in Map 1, the location of employment floorspace (light industrial, research and development and office) is relatively dispersed across the borough. To capture all relevant premises but defining smaller areas for the Article 4s would be of limited merit given the number of premises that there are.
	3. Meeting the need for industrial premises is unlikely if unfettered loss of light industrial and research and development premises is allowed to occur within non-designated employment sites. Policies in the Local Plan, such as BE3 Local Employment Space seek the retention of space on non-designated industrial areas unless unviable and maximum re-provision where loss is allowed.
	4. The Brent Local Plan Viability Assessment 2019 and September 2020 Addendum which considered a wider variety of industrial typologies identified that totally industrial floorspace schemes were predominantly unlikely to be viable. Nevertheless, when residential floorspace was added, development providing industrial floorspace was invariably viable. Requiring planning permission by removing permitted development rights will help the Council better meet needs for industrial floorspace than if unfettered change of use is allowed to happen.

# **Retention of offices**

* 1. The unfettered loss of office floorspace is and has been a concern to the Council. It undermines development plan policies which seek to retain the provision of sufficient space to meet identified needs for business. Requiring planning permission will allow retention where appropriate and enable the maximum replacement employment floorspace if sites are subsequently proposed for redevelopment through subsequent planning permissions.
	2. The removal of class MA permitted development rights essentially replicates current Article 4 directions removing the former permitted development right Class O. The Council has reassessed the need for the Article to address this matter and taking account of needs and trends subsequent to the confirmation of its previous Article 4s, it considers that the proposed Article 4 for offices in town centres is necessary.
	3. The need to re-provide the maximum viable amount of business use floorspace is required to sustain identified Brent and wider London employment floorspace needs. Meeting these needs is consistent with recently adopted London Plan Policies E1 ‘Offices’ and the evidence base of need in the borough.
	4. Prior to introducing Article 4s to remove permitted developments for change of use of office to residential, Brent has had a significant reduction in its office floorspace. The amount of office floorspace in Brent (including OPDC area) was identified as approximately 277,000 sq.m in the [Brent 2015 Employment Land Demand Study](https://www.brent.gov.uk/media/16415887/eb_e_10-brent-employment-land-demand-study.pdf). Since then prior approvals either completed or started to the end of financial year 2020 have resulted in the loss of about 77,000 sq.m. (28%) of Brent’s office floorspace (excluding OPDC area). Initially this predominantly removed older, poorer quality stock some of which was vacant. In the period from 2017, due to the disparity between office and residential development values however, there was a shift in activity. This resulted in the significant loss of occupied floorspace. This has led to a displacement of firms and shortage of lower cost office floorspace. This has been detrimental to the economic base of the area, with locally based companies struggling to find replacement office floorspace and increasing contact with the Council in to identify and retain existing alternative premises.
	5. The 2015 Study identified an additional office floorspace need of 42,361 sq.m. for the period 2015-2029. This does not take into account the subsequent losses resulting from prior approvals. The London Plan evidence base “[London Office Policy Review 2017](https://www.london.gov.uk/sites/default/files/london_office_policy_review_2017_final_17_06_07.pdf)” undertaken by CAG and Ramidus Consulting identified a composite projection of 44,000 sq.m. of additional office floorspace need in the period 2016-2041. Again this does not account for the loss of office floorspace that has subsequently occurred through prior approval development. As such, both most recent studies of office floorspace needs indicate a substantial increase in floorspace to meet needs, albeit over slightly different periods.
	6. Notwithstanding this, the Council’s [Draft Brent Local Plan Viability Assessment 2019](https://www.brent.gov.uk/media/16415881/core_gen_01-viability-assessment.pdf) undertaken by BNP Paribas essentially concluded that the provision of new office floorspace would be unviable, unless supported by enabling development. It identified in an [addendum](https://www.brent.gov.uk/media/16416888/brent-local-plan-viability-addendum-office-development.pdf) produced in September 2020: “To generate positive residual land value for a new build office development, rents would need to increase to £34 per square foot and significantly higher than this to generate residual values which exceed existing use values on sites. The increased rents required for new office developments to exceed existing use values would be significantly higher than locally available office space…..transport links…are significantly inferior in comparison to those available at Canary Wharf and Stratford…to…achieve similar rent levels.”
	7. As such, the Council does not foresee it likely that the market will positively respond to meeting the objectively identified need within the borough by building sufficient new office floorspace. To protect and provide for existing levels of office provision, it will rely on emerging Local Plan Policy BE3 which seek the re-provision of the maximum viable office floorspace on sites with an existing office use.

# **Conclusion**

* 1. All the reasons outlined above for the Council provide a convincing case for ensuring that permitted development rights for Class E (g) for change of use to residential are required to avoid wholly unacceptable adverse impacts whilst providing for better outcomes consistent with the proper planning of Brent.



