

Bath & North East Somerset Council

DECISION MAKER:	Cllr Paul Crossley Leader of the Council		
DECISION DATE:	On the 22 nd February 2013	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	2541
TITLE:	AN APPLICATION FOR AN EXEMPTION FROM THE RELAXATION OF PERMITTED DEVELOPMENT RIGHTS IN RELATION TO THE CHANGE OF USE FROM B1(a) OFFICES TO C3 RESIDENTIAL		
WARD:	Abbey, Kingsmead, Westmoreland, Widcombe		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 : Submission Report for an Exemption from the Relaxation of Permitted Development Rights			
Appendix 2 : Plan of Bath City Riverside Enterprise Area and relationship to the Bath Central Area			
Appendix 3 : Covering letter to Submission report			
Appendix 4 : Submission letter from the West of England LEP to DCLG			
Appendix 5 : Notification letter from DCLG			

1 THE ISSUE

1.1 The government is introducing a relaxation of permitted development rights, allowing a change of use from B1(a) office to C3 residential without the need for planning consent. Local Authorities have been given the opportunity to seek an exemption for specific parts of their area, however submissions must be made by 5pm on the 22nd February 2013. It is proposed that the Council submit an application for exemption in relation to the Bath City Riverside Enterprise Area.

2 RECOMMENDATION

The Leader of the Council agrees that under Rule 16 of Section 4b of the Council's constitution :

2.1 A submission is made to the Department for Communities & Local Government by the deadline of 5pm on the 22nd February seeking an exemption from the proposed relaxation of permitted development rights in relation to the change of use from B1(a) offices to C3 residential in respect of the Bath City Riverside Enterprise Area.

3 FINANCIAL IMPLICATIONS

- 3.1 Under the Retention of Business Rates arrangements that come into effect from 1st April 2013, Councils are able to benefit from a proportion of any increase in their Business Rate income arising from growth in the area's commercial stock, whilst also sharing the risks of any reductions that occur.
- 3.2 Under the scheme the Council is subject to a levy on growth which means it would keep around 33% of any growth in Business Rate income above its baseline. If Business Rate income reduces below baseline, the Council will be liable for 49% of the reduction. The relaxation of permitted development rights could compromise future income levels.
- 3.3 Within the Enterprise Area boundary defined under the fiscal arrangements for the City Deal the Council would be able to retain 100% of any business rate growth from the development of new commercial floor space. Conversely the Authority is liable for 100% of any loss of income and the uncontrolled loss of office space could pose a future financial risk.

4 CORPORATE OBJECTIVES

- *Building a stronger economy*
 - *The Council's Economic Strategy aims to build a more sustainable, diverse and robust local economy by addressing the areas historic over reliance on retail, tourism and the public sector and enabling the growth of higher value added jobs in key sectors where the area has niche strengths including professional services, financial services in wealth management, creative and digital media and ICT systems design.*
 - *The key to delivering the objectives of the Economic Strategy is the expansion and diversification of the office stock in the city of Bath. To support the aims of the Strategy the Council's Core Strategy is making provision for over 10,000 additional jobs to be delivered in B&NES by 2029. 7,000 (65%) of these jobs are to be created in Bath, with over 3,500 in office based sectors requiring a net gain of circa 40,000sqm of new office space in the central area of the city.*
 - *The Bath City Riverside Enterprise Area has a fundamental role to play in providing the modern open plan office space that many businesses require. The Enterprise Area, along with the Bristol Temple Quarter EZ and the four other Enterprise Areas across the West of England, have been identified as the key drivers of economic growth in the sub-region and included in the Bristol City Deal.*
 - *The Enterprise Area has the capacity to deliver up to 8,500 jobs and over 3,500 new homes and £13m has been secured from the Local Enterprise Partnership to invest in key infrastructure. Investment is planned in new city centre and edge of centre commercial quarters and the Council's Core Strategy allows for 50,000sqm of new office space to be brought forward within the central area.*

5 THE REPORT

- 5.1 In spring 2013 the Government is introducing a relaxation to existing planning permitted development rights which will allow B1(a) office space to change to C3 residential use without the need for planning consent. This relaxation will be accompanied by a tightly drawn prior approval process covering significant transport and highway impacts and development in areas of high flood risk, land contamination and safety hazard zones.
- 5.2 It is proposed to introduce this relaxation initially for a trial period of 3 years and then consider whether to make the relaxation permanent.
- 5.3 Such a relaxation would affect the existing office stock in B&NES and in particular put at risk existing office space within the Bath City Riverside Enterprise Area. Moving forward, if the relaxation is made permanent, this would also put at risk any new space developed under Core Strategy policies which allow for 50,000sqm of new office space to be brought forward within the Enterprise Area and Bath Central Area.
- 5.4 Through its Economic Strategy and draft Core Strategy the Council is seeking to deliver higher levels of economic growth which will only be achieved by improving business space take-up rates and business investment levels. The key to this is the delivery of employment growth in the Bath City Riverside Enterprise Area.
- 5.5 However the introduction of the relaxation of permitted development rights proposed by the Government would remove the Council's ability to control this process and could result in the supply of future office space being severely restricted and future economic and employment growth being constrained.
- 5.6 It is therefore proposed that a submission be made to DCLG by the deadline of 5pm on the 22nd February, as set out in appendix 1 seeking an exemption from the proposed relaxation in permitted development rights in respect of the Bath City Riverside Enterprise Area.

6 RISK MANAGEMENT

- 6.1 The report author and Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

- 7.1 An EqIA has not been completed as the proposal has no direct equalities impacts.

8 RATIONALE

- 8.1 The recommendation set out in section 2 will allow the Council to continue to manage the rationalisation and expansion of the office stock in the Bath City Riverside Enterprise Area in accordance with draft Core Strategy policies in order to promote the future growth of the local economy and expansion of local employment.

9 OTHER OPTIONS CONSIDERED

9.1 None.

10 CONSULTATION

10.1 Relevant Cabinet members, the Chair of the Economic & Community Development Policy Development and Scrutiny Panel, Chief Executive, Section 151 Finance Officer and Monitoring Officer were consulted on the basis and scope of the submission to DCLG.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Sustainability; Property; Corporate; Other Legal Considerations

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	John Cox Business Support & Development Manger 01225 477294
Background papers	<ol style="list-style-type: none">1. Economic Strategy for Bath & North East Somerset 20102. Bath & North East Somerset Draft Core Strategy3. Letter from DCLG 24th January 2013
Please contact the report author if you need to access this report in an alternative format	