

ARTICLE 4 DIRECTION TO PROTECT STRATEGIC EMPLOYMENT LAND IN THE BOROUGH

Cabinet Member(s)	Councillor Keith Burrows
Cabinet Portfolio(s)	Planning, Transportation and Recycling
Officer Contact(s)	James Rodger, Head of Development Management
Papers with report	Appendix 1 - Two plans showing office and industrial land to be included in the Article 4 Direction

HEADLINE INFORMATION

Summary	The Government has introduced various 'prior approval processes' where simplified planning exists for changes of use of buildings to a residential use. Legislation has been passed to introduce a further right of prior approval for light industrial buildings of up to 500 square metres. These rights will come into effect on 1 October 2017 (but will apply 56 days after that date). To prevent the rights applying it is proposed that the Council should introduce an 'Article 4 Direction' to protect strategic industrial floor-space. It is also proposed that this include strategic office floor-space.
Putting our Residents First	This report supports the following Council objectives of: <i>Our People and Our Built Environment</i> . It also supports delivery of the Council's Local Plan.
Financial Cost	There would be a limited financial cost of publicising an Article 4 Direction (less than £5k). There would also be loss of fee income, but at £80 a prior approval application this would also be limited given the likely relatively small scale of such applications.
Relevant Policy Overview Committee	Residents' and Environmental Services Policy Overview Committee
Ward(s) affected	All

RECOMMENDATIONS: That:

- 1) officers be instructed to prepare an Article 4 direction withdrawing permitted development rights for office and light industrial floor-space within the identified strategic locations.
- 2) officers be authorised to implement the Article 4 Direction (taking into account the statutory notification period to avoid compensation), such direction to have effect after 12 months prior notice has been given.

Reasons for recommendation

To protect key employment land in the Borough from changes to planning regulations which would enable strategic office and light industrial floor-space to be converted to residential use through a simplified planning process. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 states that approval to make an Article 4 Direction is not a Cabinet function and therefore must be carried out by full Council or another appropriate Council Committee.

Alternative options considered / risk management

Council could take the view that the Council's ability to refuse inappropriate prior approvals through the identified determination criteria will be sufficient to prevent potentially harmful development proposals. An alternative option could be to seek protection of a greater amount of employment floor-space (re: All office and light industrial floor-space in Hillingdon), however officers would strongly caution such an approach given the Government's already strict approach to accepting Article 4 Directions. The Article 4 Direction would have to be agreed by the Secretary of State and the Government has refused to agree Council wide Article 4 directions seeking to give blanket protection at other Councils.

Policy Overview Committee comments

None at this stage.

INFORMATION

Supporting Information

1. Cabinet considered a report on 20 October concerning the proposed Article 4 Direction. Cabinet agreed to recommend to Council measures to protect key employment land in the Borough from changes to planning regulations. It was noted that there were a number of sites in the Borough that were important economically and provided significant local employment.
2. The Council has seen a growing number of 'office to residential' prior approval conversions submitted, with over 30 such prior approval applications each year for the last two years. These prior approvals have in many cases seen the conversion of small redundant or unviable office buildings, introducing new housing, with limited concern being raised by local residents. However, officers have recently noted that more strategic and larger office floor-space is being targeted by developers. A very recent prior approval application (lodged on 26 September 2016) near Heathrow airport typifies this change in the type of prior approval application. Q3, Mondial Way is a very modern office building (19,440 sq.ft or 1852 sq.m floor area) which forms part of the 'Quartet', which is a well established office development situated on the north side of Bath Road (A4). The property is very close to Heathrow Airport and served by airport bus services. It is a recently modernised office building that is fully air conditioned, fully accessible, would meet all modern ICT requirements and has generous floor to ceiling heights. It has extensive parking and a large feature glass atrium/entrance that means the building is visually read as an office building. It is in a designated locally significant employment area. It is not the sort of building officers would wish to see converted to housing (42 flats are proposed). Nonetheless the existing prior approval process does not protect buildings like this from residential conversion.

3. There are already in place various prior approval regimes including that which allows office to residential prior approval conversions. This April (2016), the Government introduced a further right (Class PA) in respect of all light industrial buildings (B1c, which is basically employment buildings which do not house heavy) up to 500 square metres (an automatic exemption will apply for listed buildings). As set out in the General Permitted Development Order (amended April 2016) these rights will come into effect on 1 October 2017 to enable local planning authorities to consider whether to bring forward an Article 4 direction in place beforehand. The change of use itself will be permanent when granted.
4. To prevent a right to compensation the Article 4 Direction must be advertised at least 12 months in advance of it becoming operational. It should be noted that on the 2nd October 2017 a landowner will not be able to start immediately converting a light industrial building to residential use as they would first need a prior approval consent which could take up to 56 days. Therefore to ensure an Article 4 Direction is effective prior to the Legislation becoming enacted, the Council must ensure an Article 4 Direction is advertised during November 2016 and in place by the end of November 2017.
5. Hillingdon contains a number of extremely important employment sites. Hillingdon is part of the Thames Valley market, which attracts global investment, and the 'Western Wedge', which is a development corridor of regional importance. The corridor extends from Paddington to Hillingdon where it includes the area from Uxbridge southwards to Heathrow Airport. Hillingdon has sources of economic growth which function above the sub-regional level, including logistics, transport-related sectors, leisure/ tourism and education. The growth of these sectors is encouraged in the Mayor's London Plan through strategic outer London development centres. The London Plan requires most of West London's employment growth to be located within the Western Wedge and the Hillingdon Local Plan: Part 1- Strategic Policies helps direct new economic development to this area. The London Office Policy Review 2009 identified three core office locations of Uxbridge, Stockley Park and the Heathrow Perimeter for office growth. These are called Locally Significant Employment Locations in the Councils local Plan.
6. Hillingdon has regionally important Strategic Industrial Locations (SILs) totalling around 270 hectares. These are designated through the London Plan. These include Uxbridge Industrial Estate. They also include the Industrial Business Park (IBP) at North Uxbridge which is more suitable for activities that need better quality surroundings including research and development and light industrial. To complement the Strategic Industrial Locations, the Hillingdon Local Plan: Part 1- Strategic Policies proposes designations for two types of employment land; Locally Significant Industrial Sites (LSIS) where industrial and warehousing activities can operate, and Locally Significant Employment Locations (LSEL) that have a light industrial, office and research role. The purpose of this is to ensure that new office development, which has a high trip generating capacity, is located where public transport accessibility is strongest, thereby reducing the need for car trip generation.
7. Uxbridge has an office stock of around 205,000 sq.m; the fourth largest concentration in outer London. It is a key centre for the office market in West London. A number of operators have their headquarters or European headquarters in Uxbridge which has cluster strengths of pharmaceuticals and IT companies, business support services and food sectors. Stockley Park is an important contributor to the local economy and prestige of the borough through its high quality offices. With 175,000 sq.m of office stock, it is the largest concentration of office space in Outer London. It is described by the London Office Policy Review 2009 as "perhaps the most iconic business park in the UK" and has a particular draw for prestigious national and European headquarters. The Park is home to

IT, pharmaceutical and communications sector businesses as well as many other blue chip companies. Heathrow Airport is the UK's biggest airport and has a substantial impact on the economy of West London. Activities related to the operation of Heathrow, such as passenger terminals and maintenance facilities, take place inside the airport boundary while many associated businesses rely on locations around the perimeter just outside the airport boundary (hence the importance of the Bath Road corridor for office and light industrial floor-space for an efficient airport operation). Many businesses are reliant on the airport and proximity is a key driver for the continued demand for commercial floor-space near Heathrow. There is a wide variety of office space from small to very large operators.

8. A balance must be struck between the delivery of new housing and the retention of key employment floor-space. The Council's local Plan seeks to ensure that housing growth to meet strategic housing targets is provided whilst protecting important local, regional and nationally strategic employment floor-space (which given high land values for residential use of land than employment use would otherwise be lost to housing). It should also be noted that there is the planned release of some employment land in the Hayes Housing Zone, although this needs to occur in a planned way so that local infrastructure needs can be properly considered. It is important that housing growth in Hayes does not lead to a subsequent loss of designated industrial land outside the Housing Zone, this is to ensure sufficient light industrial floorspace is maintained to meet local and regional demand.
9. It is therefore suggested that the following sites (see plan attached as Appendix 1) should be protected from prior approval conversions to residential use as identified in the Hillingdon Local Plan: Part 1- Strategic Policies (Adopted 2012).

Areas proposed to for prevention of light industrial to residential conversions

Strategic Industrial Locations - Preferred Industrial Locations

Uxbridge Industrial Area

Hayes Industrial Area - designated areas of PIL outside the Housing Zone

Strategic Industrial Locations: Industrial Business Parks

North Uxbridge Industrial Estate

Proposed Locally Significant Employment Locations

Stockley Park

Bath Road Sites

Proposed Locally Significant Industrial Sites

Packet Boat Lane LSIS

Areas for prevention of office to residential conversions

Uxbridge Town Centre

Heathrow Perimeter

Stockley Park

10. Under the proposed Light industrial to residential prior approval process the Council will be able to consider four criteria:
 - (i) Transport and highways impacts of the development (this usually cannot be used to refuse conversions given the scale of car-parking facilities that accompany most employment sites and the fact that residential uses often don't have a materially worse impact on the highway network than office uses).
 - (ii) Contamination risks in relation to the building (sites can be de-contaminated and conversions are often to flatted development where back gardens are not included)

- (iii) Flooding risks in relation to the building (residential use is seen as more sensitive than other uses with respect to flood protection, nonetheless most key strategic office and industrial floor-space is not in floodplain's).
- (iv) Employment impacts which are defined as follows: '*Where the authority considers the building to which the development relates is within an area that is important for providing industrial services or storage or distribution services or a mix of those services (which includes, where the development relates to part of a building, services provided from any other part of the building), whether the introduction of, or an increase in, a residential use of premises in the area would have an adverse impact on the sustainability of the provision of those services*' (As explained earlier in this report Government Inspectors have sought to support the principles behind earlier Government prior approvals as much as possible and officers are not optimistic that refusals under this criteria will be upheld at appeal).

Financial Implications

Direct costs associated with implementation of an Article 4 direction to protect key strategic office and light industrial floor-space would be limited to advertising the new arrangements, which is estimated to cost no more than £5k and would be managed within existing Residents Services' operating budgets. As noted within the body of this report there would be a de minimus loss of fee income (less than £5k over the previous two years) from implementation of this Article 4, however this can again be managed within existing budgets where planning income streams continue to outperform MTFF assumptions.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

It will enable full Council to determine whether an Article 4 Direction should be created. With respect to wider local resident impacts the key implication will be to enable the Council to maintain the right amount of employment floor-space to ensure a prosperous Borough. It is not considered that this will be to the detriment of those residents who would favour additional housing, as the Council will meet its strategic housing targets through allocated housing sites.

Consultation Carried Out or Required

If an Article 4 Direction is implemented then there would need to be extensive consultation within the areas identified for inclusion within the Article 4 Direction.

CORPORATE IMPLICATIONS

Corporate Finance

Corporate Finance has reviewed this report and confirms the financial implications outlined above, noting that the proposed Article 4 direction is intended to maintain employment floor space within the borough. The impact of the proposed Article 4 direction on the Council's broader Medium Term Financial Forecast will be de minimus.

Legal

An article 4 direction is a direction under article 4 of the General Permitted Development Order which enables the Secretary of State or the local planning authority to withdraw specified permitted development rights across a defined area.

Provided that there is justification for both its purpose and extent, an article 4 direction can cover a specific site to a local authority-wide area.

The use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. The potential harm that the direction is intended to address should be clearly identified and the Council must show strong justification for the withdrawal of permitted development rights relating to cases where prior approval powers are available to control permitted development.

The report sets out that there are a number of important employment sites in Hillingdon, and the Council must be able to show that there is a need to protect these employment sites in the borough.

The right to compensation has been accurately set out within the report.

Corporate Property and Construction

There are no property and construction implications from the recommendations in this report. Should full Council decide that an Article 4 direction should be created then there may be some implications for Council owned office and industrial premises in the proposed areas. The Council's ownership of industrial property is limited to just one small property on Uxbridge Industrial Estate. The Council also owns a limited number of office properties in the proposed areas, the most notable of which is the Civic Centre.

Relevant Service Groups

Where reports span across other service areas relevant service Groups should consulted.

Background Papers: Hillingdon Local Plan: Part 1- Strategic Policies (Adopted 2012).