

**Wards Affected:**

All Wards.

**MILTON KEYNES COUNCIL RESPONSE TO THE DEPARTMENT OF COMMUNITIES AND LOCAL GOVERNMENT (DCLG) CONSULTATION ON NEW PERMITTED DEVELOPMENT RIGHTS TO TURN B1 (A) OFFICES TO RESIDENTIAL (C3) USE.**

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**Executive Summary:**

This report set out the case for Milton Keynes Council seeking an exemption, for parts of the Borough, from the proposed introduction of permitted development rights by the Government to permit a change of use from an office to residential use. It highlights the implications of this change for the planning and economy of Milton Keynes.

**1. Recommendation(s)**

- 1.1 That the Council write to the Department of Communities and Local Government (DCLG) seeking an exception, in the areas listed below, from the proposed introduction of new permitted development rights allowing a change of use to occur from an office (B1a) use to residential (C3 uses)
- 1.2 That the areas that Milton Keynes Council wants exempt from the introduction of the new permitted development rights for a period of three years include:
  - Central Milton Keynes (CMK) including Campbell Park
  - The strategic employment sites identified in the Core Strategy including Shenley Wood, Knowlhill, Kents Hill, Walton and the Western Expansion Area (WEA).
  - The grid squares of Old Wolverton, Stonebridge and Bleak Hall.
  - The grid squares of Mount Farm, Denbigh East, Denbigh West, Barton Road and Tilbrook
  - The town centres of Bletchley, Newport Pagnell and Wolverton

**2. Issues**

- 2.1 On the 24<sup>th</sup> January 2013 the Chief Planner (Steve Quartermain) at the Department for Communities and Local Government (DCLG) wrote to all Local Planning Authorities in England to inform them that the Government is proposing to extend permitted development (p.d.) rights in spring 2013. The Government proposal is to allow a change of use of an office, a B1 (a) use, to use as a dwelling house (a C3 use) without requiring the grant of planning

permission from this Council. These rights will be time-limited for a period of three years before the Government decide if these rights will be extended permanently. As no planning permission is required from the Council for this change of use the Council is unable to impose any planning conditions on the 'converted building' or seek any financial contributions for any infrastructure and facilities made necessary by the development.

2.2 According to the information set out in the letter from the Chief Planning Officer and its accompanying annexes the new rights will be accompanied by a prior approval process to cover transport and highway rights and development in areas of high flood risk, land contamination and safety hazard zones. While transport and highway rights is assumed to cover traffic and parking issues there is no mention made of amenity considerations such noise, smell, or vibration.

2.3 Local authorities have the opportunity to seek an exception for specific parts of their locality provided they meet the criteria detailed by the Government. However, any application from the Council for an exemption from these permitted development rights must be submitted to the DCLG before **5pm on Friday 22 February**. Exceptions will only be granted in exceptional circumstances where local authorities can demonstrate:-

A. The loss of a nationally significant area of economic activity

or

B. Substantial adverse economic consequences at the local authority level which are not offset by the positive benefits the new rights would bring.

The guidance makes it clear the Council is unlikely to be successful on a blanket exception from the legislation.

2.4 As the largest planned new settlement (New Town) ever constructed in the UK. Milton Keynes is exceptional and different from many other parts of the country. A great deal of attention has been paid to the layout, design and relationship between the city's employment and its housing areas with the result the city has avoided many of the problems that can be caused by the close proximity between housing and employment areas. Introducing significant amounts of residential development into areas of office development will have consequences for the planning and delivery of services and facilities such as schools, health facilities open space and play areas and other essential infrastructure.

2.5 The main concerns of the Council are identified in full in the Annex to this report. Fundamentally the Council is concerned that a blanket extension of the proposed permitted development rights throughout the Borough is not strategic and not conducive to good spatial planning. It will prejudice the Council's development plan strategy and emerging proposals within the CMK Business Neighbourhood Plan and emerging Neighbourhood plans in other centres, it will have implications for the delivery of the 28,000 dwellings and 42,000+ jobs from 2010 to 2026 that the Council's Core Strategy proposes.

2.6 As the city centre is the biggest location of empty offices in the city the spatial impact of this change will be most noticeable within CMK and this will impact

on the vitality and viability of the city centre which the Council is seeking to develop as a regional centre for office and other forms of commercial development.

- 2.7 The extension of permitted development rights will also have implications for the development of the strategic employment sites identified in the Core Strategy Shenley Wood, Knowlhill, Kents Hill, Walton and the Western Expansion Area whose development is necessary to ensure the Council provides jobs in the future
- 2.8 There are some grid squares in the city such as Old Wolverton, Stonebridge and Bleak Hall which were specifically designed by the Milton Keynes Development Corporation to accommodate industries which may cause nuisance by reason of noise, smell or visual intrusion. If there is a change of use of an office to residential use at these locations the amenity of residents will be affected by the existing development around them.
- 2.9 There are the older parts of the city where there are some older industrial estates in the city with office accommodation pepper potted throughout them where there is 24/7 activity so introducing residential development into these areas will raise significant amenity issues. Environmental Health have identified that the following areas should be exempted from the extension of permitted development rights Mount Farm, Denbigh East, Denbigh West, Barton Road and Tilbrook. Additionally there are the older town centres to consider, which need to retain some commercial use within them and where the Council wishes to retain the right to impose conditions to mitigate the impact of a change of use, which it would not be able to do unless the area is exempt from this change.

Consultations:

- 2.10 The Assistant Director Planning has contacted some commercial agents about the implications of this proposal.

### 3. **Options**

- 3.1 The Council can either accept the proposed introduction of the new permitted development rights or seek an exemption from them for three years. It could remove permitted development rights locally by means of an article 4 direction but if permitted development rights are introduced, a change of use could occur from an office to a residential use before the Council could implement an article 4 direction. Implementing an article 4 is a lengthy and time consuming process. Another reason to seek an exception from the permitted development legislation is that no compensation liability will arise in exempted areas. (See Annex to Chief Planner's letter.) As permitted development no planning application to the Council for the change of use is required and the Council is therefore unable to impose any planning conditions on the converted building.

#### 4. Implications

##### 4.1 Policy

The concern of the Council is that a blanket extension of the proposed permitted development rights throughout the city is not strategic and not conducive to good spatial planning and will have implications for the vitality and viability of the city centre and other town centres. It could potentially prejudice the Council's development plan strategy and emerging proposals within the CMK Business Neighbourhood Plan and other corporate priorities

4.2 Resources and Risk: There will be a loss of income from planning fees from applications for changes of use. As planning permission is not required from the Council for the change of use there is no opportunity to seek financial contributions for the infrastructure the development generates (schools, health facilities open space and play areas) with financial implications for the Council in revenue and capital terms.

There will be a financial impact on local authorities as their rates base is eroded as buildings convert to residential use and, with no rates revaluation (recently postponed by the Government), no ability to catch up.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	N	Medium Term Plan	N	Asset Management

##### 4.3 Carbon and Energy Management

There will be no scope for the Council to seek financial contributions from the conversion of an office to residential use for carbon offset since no planning permission from the Council is required.

##### 4.4 Legal

None

##### 4.5 Other Implications

Unintended and un-envisioned consequences: Under existing permitted development rights it is possible to change 235 sq.m of a B2 industrial building or B8 warehouse to a B1 use which can then be converted to a dwelling. The Government is proposing to increase the threshold from a B2 use to a B1 use from 235 sq.m to 500 sq.m. Although not the case in Milton Keynes because of an article 4 direction, once a C3 use is established in will be possible to turn it into a C4 (HIMO) use.

N	Equalities/Diversity	Y	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background Papers:

- Letter dated 24<sup>th</sup> January 2013 from the Chief Planner (Steve Quartermain) at the Department for Communities and Local Government (DCLG) to all Chief Planning Officers in Local Planning Authorities in England.