

Hart Local Plan:

Strategy and Sites 2016 – 2032

Hearing 4th December 2018 (am)

Hearing Statement on behalf of:

UKSEI Ltd

Representor ID: 76

Plots 260/270 Bartley Wood Business Park, Hook

Matter 9 – Economic Development

9.2 What is the current status of the Article 4 Direction consultation that the Council has referred to? Is reference to it within the Plan justified?

The Article 4 Direction was confirmed by delegated Officer report dated 30th July 2018 (attached at **Appendix 1**), it is due to come into force on 6th May 2019. UKSEI Ltd made fulsome objections to the proposed imposition of the Article 4 in correspondence dated 5th June 2018, attached at **Appendix 2** (NB both of these documents post date the deadline for representations to the Proposed Submission Version Local Plan).

There were 12 representations only made to the proposed imposition of the Article 4 Direction, 9 objections to it and 2 in support (with 1 seeking clarification). Even excluding those with a vested interest as building owners directly affected, that still leaves 3 objectors (Winchfield Parish Council, Winchfield Action Group, Local resident) and only 2 in support.

The process for adoption of an Article 4 Direction is neither open to the detailed scrutiny of public examination nor testing through cross examination. My client made detailed and evidenced representations to the proposed Direction, and the Council's reply, as set out in the July Committee report, provides a less than robust response to the detailed nature of the criticisms made. In particular the Council's response;

- a) does not deal with the prematurity/circularity issues, that the Article 4 seeks to safeguard sites subject to only a draft Policy ED2, whilst those sites remain the subject of duly made objection.
- b) rebuts the evidence of its own 2016 ELR (**ECO2a**, Hart, Rushmoor and Surrey Heath Joint Employment Land Review Update – Final Report – November 2016) that there is an "...oversupply of lower grade office stock with relatively high vacancy rates (11.9%) that is becoming increasingly obsolete and/or uneconomic for operators to run...", (**ECO2a para 10.5**) by simply stating that "Rental Levels have increased for more modern buildings..." (**Appendix 1 below, Assessment Appendix page 4**). No information is given as to where that rental information has come from, what it says, which buildings were examined etc, nor how the conclusion is reached that this addresses the oversupply point raised by the ELR.

UKSEI Ltd, have sought commentary on this claim from their local agents and advisors Curchod & CO, who have provided a Note for this Hearing (**Appendix 3**) which explores this issue. They conclude that whilst some rents in the office market in Hart District have increased, this has been for the genuinely Grade A stock, in the prime locations. The market around Hook has not reflected such an increase, and indeed there is strong evidence of declining or at best static rental levels. This remains indicative of the surplus supply of lower grade stock in this area, such as that at Bartley Wood. They conclude through referenced to actual transactions,

that "...there is still an oversupply and depressed rental values make new office development or refurbishment unviable."

- c) the Council's response notes that the ELR seeks to 'avoid fragmentation of employment areas', but fails to address the conflict within the same report which recognises that there is an identified oversupply of large bespoke office premises which are in part a legacy of the rapid expansion of and subsequent consolidation of the ICT sector, recognising that the NPPF encourages that such sites should not be allocated if market evidence suggests that there is no reasonable prospect of the office use continuing. (**ECO2a para 10.31, Section 3, 3rd para**)
- d) The Council's response fails to address my client's criticisms of the ELR's findings that plots 260/270 provide Grade A accommodation. The Council simply re-iterate the ELR position. The ELR predates the grant of Permitted Development rights and the decision of Virgin Media to leave Hook. Virgin Media were specifically identified as being a 'high profile occupier' contributing the ELR's conclusion that Bartley Wood is a High-Quality Business Park (**ECO2b page 16**). They were also identified in the 2015 Hart Economic Development Strategy (**ECO4a, page9**) as a leading employer with an HQ presence. The Council have ignored the more recent and strong market signals, that neither the site, nor the park perform a Grade A function any longer (see also **Curchod & Co Market Review**, submitted with LP reps **sections 4.4 and 5, pages 13 & 14**), and that some of these leading employers have concluded that this is no longer a location which meets their market needs.

It is of note that the Officer's delegated report (**Appendix 1, Assessment Appendix page 7**) acknowledges that if the outcome of these Local Plan Hearings is that a site or sites are to be removed from the Strategic Employment Land designation, then 'The Article 4 can be reviewed if necessary in the light of the Inspector's report'. The comment is important in this regard; there is nothing in the Council's decision to proceed with the Article 4 based on untested Submission Local Plan designations, that should pre-determine or fetter the consideration of Strategic Employment Sites under Policy ED2. It does not of itself imply any weight to the importance of the named sites, and the Council here acknowledge that if the Submission Plan were to be amended to remove the Strategic Designation from Bartley Wood, then they can, and indeed should, review the Article 4 Direction accordingly.

It would be possible to make further detailed commentary on the shortcomings of the Council's Article 4 process at the Hearings if it would assist, however, for the purpose of the Inspector's issue 9.2 the above summary provides an indication of the shortcomings of the process undertaken to date. It is concluded that given the weakness of the evidence base underlying the Article 4 direction as it relates to Hook, that the Plan should not make any reference to the Article 4 itself.

Policy ED2

9.6 Is the approach of Policy ED2 to safeguarding Strategic Employment Sites justified and consistent with national policy? Further, should there be an element of flexibility?

Our client does not object to the protection of Strategic Employment Sites, per se. It is specifically the identification of Bartley Wood, Hook which is objected to as unjustified, and comments on this are expanded at issue 9.9 below. NPPF (2012) supports the identification of strategic sites (para 21), and this is carried forward into NPPF (2012) para 81.

The submission Plan para 220 (**CD1**) starts with the premise that the identified Strategic Employment Sites are '*particularly valuable*'. This fundamental premise is strongly contested as it relates to the Bartley Wood Business Park, whose vacancies, soon departing tenants (such as Virgin Media), failed employment marketing campaigns and multiple Permitted Development consents for office to residential use, tell a wholly different story as to the 'value' of the park.

9.9 Is each employment site and its boundary set out within Policy ED2 justified and based on robust evidence?

The evidence for the identification of Bartley Wood Business Park as a Strategic Employment Site, is not considered robust, and the allocation is not therefore justified. Whilst UKSEI Ltd, have produced their own evidence already submitted to the Hearings from Curchod & Co, it is the Council's own evidence base which provides ample support for my client's proposition that neither their buildings nor the Bartley Wood site, should be protected as a Strategic Site.

Status of the Plots 260/270 Bartley Wood

Whilst they may have been 'Grade A' at the time of their construction in the early 1990's, my client's buildings are now nearly 30 years old. The buildings do not meet current expectations for grade A space, in terms of matters such as glazing, building insulation, lighting fit, cabling requirements and energy use, such that they no longer meet a market expectation of Grade A specification.

Evidence provided by Curchod & Co. indicates that in order to bring the buildings up to current Grade A standards, there would need to be an investment of some £80 - £100 per sq ft, at a cost of some £9.75m to £12m. Such an investment is simply not economic in the Hook marketplace, where Hook is no longer seen as a significant business location (as set out in response to issue 9.6 above).

These large footprint units have served their time in the market, there have been only 2 potential deals in the last 5 years where lessors/purchasers were large enough to have even considered these scale of buildings. As the Council's own evidence base confirms with regard to lower grade Office accommodation, "*There is limited demand for such premises but the supply of floorspace remains high... the current over supply of office accommodation limits investment in refurbishing such stock, as low rent levels make such investment unviable*". (ELR - **ECO2a para 6.17**)

It goes further to identify that the exercise of Permitted Development rights has actually had the beneficial effect of removing lower quality stock and to reduce office vacancy levels, "*However, there is still a substantial amount of lower quality stock on the market*" (**ECO2a para 6.18**).

The ELR also notes (**ECO2a para 8.25**); "*There is an oversupply of dated second hand stock in the FEA, and also of large footprint Grade A accommodation that was originally constructed as campus sites for single occupiers*". It goes on to conclude (**para 10.5**) "*Demand for office accommodation in the FEA remains limited to quality Grade A stock in prominent, multi-occupancy, business park locations. There is an identified over-supply of lower grade office stock with relatively high vacancy rates (11.9%) that is becoming increasingly obsolete and/or uneconomic for operators to run*"

This latter situation is precisely the scenario, which my client finds themselves in. The two units in their Freehold ownership are currently let to Virgin Media, only one of those is itself occupied (270), with Unit 260 having been vacant since 2014. Virgin have indicated their clear intention to leave Hook upon the expiry of their lease in November 2019. It is understood they consider a location focussed on the

M4 corridor is more appropriate to their business requirements. It is the pending vacation of this last unit, which has driven my client to obtain permitted development approval for an Office to Residential conversion (LPA reference 17/00814/PRIOR), as their lower grade Office accommodation is obsolete in the current employment market.

Within the parameters allowed by their existing tenant, UKSEI Limited have been undertaking marketing of the buildings, seeking new occupiers. None have been forthcoming (see **Curchod & Co report Section 3**). My client has sought support from public officials (including the Local MP) to seek to encourage Virgin to remain in Hook, however no material support has been forthcoming.

Whilst it may be an unwelcome reality, the fact is that Hook is no longer viewed by occupiers as a strategic office location. It is a locality typified by a significantly reduced demand for large footprint buildings, and where evidence of take up has fallen dramatically over a 20-year period. That position, of preferred strategic location, is taken by sites such as the Farnborough Business Park which does not suffer the issues of poor amenity, dated buildings, limited rail access and an 'off market' location which all affect Hook (**Curchod & Co Market Review March 2018 – Section 4.4**).

The exercise of Permitted Development rights has not been limited to my client's buildings, as the Council's Local Plan Employment Topic Paper (**TOP4 Appendix 3**) graphically illustrates, there are at least 5 units at Bartley Point/Bartley Wood that have secured Permitted Development rights. This is as clear a market signal as should be required, to understand that the employment 'market place' does not agree with the Council's proposition that this is a Strategic Business Park, with Grade A accommodation capable of maintaining that position for the plan period. Indeed, the Council's conclusions in their Employment Site Assessments November 2016 (**ECO2b**), that the Business Park provides a 'range of Grade A space', is not supported by any evidence of a building by building analysis at the Park, or any wider of assessment of the quality of supporting facilities at the Park (such as that completed by Curchod & Co.), when compared to the market competition at sites such as Farnborough Business Park.

NPPF (2012) para 22 discourages the long-term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose. At Hook, the Business Park has fulfilled a function for the last 30 years, but there is no evidence to support the proposed allocation and protection of this land as performing a Strategic Employment function for the remainder of the Plan period. Such a level of protection is inconsistent with the guidance at NPPF para 22, and in a practical sense is likely to lead to a largely derelict Business Park, as vacancies increase during the Plan period, and opportunities for urban regeneration of the land to other, non-employment based uses, are denied.

All of this is within a context where a number of units within the Park have already secured residential use, through exercise of permitted development rights, including my client's two buildings. Some of those conversions are already under construction or complete. My client does not wish to see future residential occupiers of their buildings to be living alongside an Office Park with increasing levels of office vacancy, and potential dereliction. They would rather the Council

planned for a positive re-investment of this previously developed land for alternative and viable uses.

Policy ED2, in its protection for Bartley Wood, runs contrary to the clear intent and spirit of the relaxations afforded by Class O of the GPDO, to allow a more commercially responsive approach to changing employment markets. It is also unsupported by the Council's own evidence base, which recognises the difficulty in the sub-prime office market, of over-supply in that market against demand (even when PDR consents are accounted for), and recognises the benefits in actually allowing non-Grade A stock to be removed from the market supply.

Conclusions

The Strategic Employment Sites are so identified in order to fulfil a 'strategic function' and because they are 'valuable' and their loss might lead to pressure for land release in 'less acceptable' locations.

The market analysis submitted to this Hearing, combined with the Council's own evidence base, question both the ongoing strategic function of Hook, or the value of my client's specific freehold interests to an employment market that has turned away from large footprint units. It therefore casts significant doubt over the Strategic Employment Site designation at Bartley Wood.

Given the Council's own evidenced oversupply of office land, there is no basis to conclude that removal of Bartley Wood from the Strategic Employment sites policy, would lead to pressure on the release other land. In the light of all the above, the Council's proposal to allocate Bartley Wood as part of Policy ED2 is considered unsound, and reference to it should be removed.

9.10 To be effective, should Policy ED2 refer to the Policies Map?

It is considered that reference to the Policies Map would be beneficial. It is possible, for example, that the outcome of this Hearing will be just the exclusion of my client's land interests from the proposed Bartley Wood designation. This would best be illustrated by reference to the Policies Map.

Appendix 1

**Hart Employment Land: Article 4 Direction
Delegated Officer Report 30th July 2018**

Appendix 2

**Objection by UKSEI Ltd to proposed Article 4 Direction
5th June 2018**

Appendix 3

**Note on recent rental levels
Curchod & Co. 22nd October 2018**

PLANNING COMMITTEE CHAIRMAN

DATE: DELEGATED, 30 JULY 2018

TITLE OF REPORT: ARTICLE 4 DIRECTION FOR EMPLOYMENT LAND
– ASSESSMENT OF REPRESENTATIONS

Report of: Corporate Strategy and Policy Development Manager

Cabinet member: Councillor Graham Cockarill, Planning

I PURPOSE OF REPORT

- 1.1 This report considers the representations that have been received following recent publicity on the making of an Article 4 direction removing permitted development rights for change of use of employment premises to residential use and to consider whether to confirm the Article 4.
- 1.2 This report was agreed by the Planning Committee Chairman on 31st July 2018.

2 OFFICER RECOMMENDATION

- 2.1 To confirm the Article 4 direction under the Town and Country Planning (General Permitted Development)(England) Order 2015 (as amended). Once confirmed, the Article 4 will come into force on Monday 6th May 2019 and apply to all Strategic and Locally Important Employment Sites identified in the Hart Local Plan.
- 2.2 To approve giving notice of the confirmation and associated publicity of the Article 4 in accordance with Schedule 3 of the above Order 2015.

3 BACKGROUND

- 3.1 In 2013, the Government introduced new 'permitted development rights' which allow an office building (Class BI(a)) to change its use to a dwelling without the need for planning permission. Initially intended to be temporary and due to expire at the end of May 2016, the rights were made permanent in April 2016. The Government introduced permitted development rights which allow light industrial buildings (Class BI(c)) less than 500 m² to change its use to a dwelling without the need for planning permission (until 30 September 2020). There are also permitted development rights which allow storage or distribution buildings (Class B8) less than 500 m² to be converted to a dwelling without planning permission (until 9 June 2019).
- 3.2 On 14 February 2018 the Planning Committee agreed the making of a non-immediate Article 4 direction to withdraw permitted development rights for the change of use of offices, light industrial units and storage & distribution units to residential use. This was to apply to all 19 Strategic and Locally Important Employment Sites identified in the Pre-Submission Hart Local Plan. The Committee also agreed to delegate to the Corporate Strategy and Policy Development Manager in consultation with the

Chairman of Planning Committee, to consider the consultation responses and subject to their content to confirm and implement the Article 4 Direction to have effect 12 months after prior notice was given.

3.3 Following the Planning Committee approval, notice of the making of the Article 4 was undertaken for a 6 week period from Friday 4th May – Friday 15th June 2018 involving relevant documentation and a supporting statement, as follows:

- (i) Public notice in the Hampshire Independent newspaper Friday 4th May;
- (ii) 2x site notices erected at each of the 19 employment sites;
- (iii) Letter and site notice sent by post to each owner and occupier for all sites;
- (iv) Webpage including a plan of each site:
<https://www.hart.gov.uk/article-4-direction-employment-land>
- (v) Notification to the Secretary of State (SoS) and Hampshire County Council (by post and email);
- (vi) Email to Councillors, Town and Parish Councils, local business groups, neighbouring councils and other interested parties;
- (vii) Hart Twitter, Hart Facebook, LinkedIn, Business E-bulletin;
- (viii) Hard copies of all documents at reception of the Council Offices.

3.4 The National Planning Policy Framework (NPPF) 2018 refers to the use of Article 4 directions where it is necessary to protect local amenity or the wellbeing of an area¹. In the context of building a strong and competitive economy, it refers to significant weight being placed on the need to support economic growth and productivity, taking into account local business needs and wider opportunities for development².

4 CONSIDERATIONS

4.1 The Secretary of State was notified of the making of the Article 4 in accordance with The Town and Country Planning (General Permitted Development)(England) Order 2015, Schedule 3 and stated above at 3.3(iv). The Planning Casework Unit of the Ministry of Housing, Communities and Local Government wrote a letter dated 14 May 2018 confirming receipt of the documentation and inviting the Council to submit any further evidence that it considered relevant to support and justify the making of the Direction. The Council replied in a letter dated 18th May 2018 referring to paragraph 200 of the NPPF 2012 and paragraph 54 of the draft NPPF 2018, both relating to situations where it is necessary to protect local amenity or the wellbeing of an area.

¹ NPPF, paragraph 53

² NPPF, paragraph 80

- 4.2 The formal Direction, the Planning Committee report dated 14th February 2018 and the Council's Supporting Statement were again sent to the Secretary of State in support of the making of the Article 4 direction. To date no intervention has been received from the Secretary of State, however officers have been advised by Legal that the SoS can intervene at any point, including after confirmation of the Article 4.
- 4.3 During the consultation period a total of 12 representations were received summarised as:
- 9 objections (6 from owners of buildings on the employment sites, 3 from others);
 - 2 supporting;
 - 1 boundary clarification at Optrex Business Park.
- 4.4 A summary of all the representations together with a response, is detailed in the Appendix. The main issues of objection can be summarised as follows:
- (i) The Article 4 should not apply on a blanket-wide basis to all 19 employment sites;
 - (ii) Employment unit(s) has been vacant for some years despite extensive marketing and the Article 4 would further restrict any re-use of the unit;
 - (iii) There is an over supply of lower grade stock (mentioned in the Employment Land Review);
 - (iv) The Article 4 is premature in advance of the Local Plan being found sound, and Strategic and Locally Important Employment Sites could change;
 - (v) Additional pressure will be put on to greenfield sites.

Whilst these points are noted, it is considered that these do not justify a change in the Council's approach to the Article 4 Direction as set out in the attached Appendix.

5 ALTERNATIVE OPTION

- 5.1 An alternative option is to not confirm the Article 4 and to allow permitted rights for change of use from office/light industrial/storage or distribution to residential, to continue on all of the designated employment sites in Hart. As outlined in the 14th February Planning Committee report, such an approach could impact negatively on these sites and compromise the ability to implement emerging policies in the Local Plan and retain employment uses in the longer term. It would also undermine the strategic objectives of the Local Plan, the wider Functional Economic Area and the Enterprise M3 Local Enterprise Partnership Area.

6 IMPLICATIONS

Compensation

- 6.1 Compensation may be payable to an owner/developer once the Article 4 direction is in force if:

- (i) Planning permission is refused for a development that would have been permitted if the Article 4 was not in force eg: permitted development change of use from office to residential;
 - (ii) Planning permission is granted for the development but subject to conditions additional to those which would have been applied under the permitted development rights.
- 6.2 Section 108 (2A) of the TCPA 1990 provides that compensation is only payable if an application for planning permission for development which was formerly permitted is made within 12 months of the Article 4 taking effect.
- 6.3 The Town and Country Planning General Regulations 1992 sets out the way in which a claim for compensation must be made. The Town and Country Planning (Compensation)(England) Regulations 2015 set out considerations in respect of compensation.
- 6.4 Local authorities are not liable to pay compensation if they withdraw permitted development rights in the manner prescribed in the Article 4 regulations if notice of the withdrawal is published at least 12 months before it takes effect. It is for this reason that the Article 4 would come into force on 6th May 2019, which is more than 12 months since the start of the consultation about the making of the Article 4.

Permitted Development Applications during the Notification Period

- 6.5 During the 12 month notification period between the making of a non-immediate Article 4 direction and its coming into effect, developers will be able to exercise permitted development rights for changes of use. They will also be able to complete the changes of use (including those already granted) within the prescribed 3-year period, regardless of the Article 4 coming into effect. If the Article 4 comes into effect on Monday 6th May 2019, it will affect any building within the employment sites which does not already have a permitted development approval by that date.

Legal Implications

- 6.6 There is no statutory appeal against the making of an Article 4 direction. The proposed Direction would therefore be open to challenge by way of a judicial review. This risk is minimised provided the Council has followed the prescribed process for making and confirming a direction, which includes considering objections and other representation to the proposed Article 4 direction. Input into these processes has been sought from the Legal team to ensure that all regulatory processes have been met.

Financial and Resource Implications

- 6.7 The principal costs of confirming an Article 4 direction include officers' time, printing notices for site display and advertising notices within a local newspaper. The costs of making and confirming a direction can be absorbed by the planning policy budget. A planning application fee is payable where a planning application is required for a change of use which would otherwise have fallen under permitted development rights.

7 CONCLUSIONS and NEXT STEPS

- 7.1 Whilst the potential benefits of increasing housing provision via permitted development rights are acknowledged, the actual and potential loss of designated employment sites can compromise the ability to deliver employment and economic policies in the Hart Local Plan. It is important that Hart maintains a portfolio of strategic and local employment sites in order to retain and attract businesses and jobs – this reflects the intention of Local Plan Policy ED2 “Safeguarding Employment Land and Premises”.
- 7.2 The Council response to the representations received during the Article 4 consultation are set out in the Appendix. It is not considered that these raise issues that would justify an amendment to the proposed Article 4 and consider that the justification for the making of the Article 4 remains sound.
- 7.3 An Article 4 direction cannot come into force unless it is “confirmed” by the local planning authority. If “confirmed” in accordance with the GPDO 2015, Schedule 3, the Article 4 will come into force on Monday 6th May 2019.
- 7.4 Once in force, the Article 4 direction will require owners/developers who wish to convert offices/light industrial units/storage or distribution units to residential use on designated employment sites, to submit a planning application which would be determined on its merits having regard to relevant planning policies and material considerations.

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APPENDICES

APPENDIX – Assessment of Representations

BACKGROUND PAPERS:

Planning Committee Report 14th February 2018

National Planning Policy Framework 2018

Hart Local Plan Pre-Submission (February 2018)

The Town and Country Planning (General Permitted Development)(England) Order 2015

ASSESSMENT OF REPRESENTATIONS TO THE ARTICLE 4 DIRECTION ON EMPLOYMENT SITES

Site	Agent/ Objector	Prior Approval?	Issue	Response
Guidion House, Ancells Business Park	Montagu Evans	Prior Approval submitted but withdrawn 17/00426/PRIOR	<ol style="list-style-type: none"> 1. Disagree that the Article 4 is applied on a blanket-wide basis to all 19 Strategic and Local employment sites. 2. Despite sustained active marketing, Guidion House has been vacant since 2010. There is therefore no reasonable potential for the re-occupation or redevelopment for offices. The Article 4 would further limit the prospects for the site and increase the likelihood of the property remaining vacant. 3. Despite a soft marketing exercise and full marketing campaign, there has been no interest in the premises as an office building either of a serious or tentative nature. This is due to a weak office market in the area and the building being inadequate for a modern occupier. 4. The refurbishment costs to bring the building up to modern standards would be unviable, given the current and foreseeable rental values for office space. Even using the top rent achieved at Ancells Business Park in the last 5 years of £18.50 psf, it would not be viable to refurbish or redevelop the site for office purposes. 	<p>Local Plan Policy ED2 seeks to safeguard Strategic and Locally Important Employment Sites throughout the plan period to 2032. Changes of use or redevelopment proposals are subject to policy criteria. The Employment Land Review (ELR) supports the protection of these employment sites and their continued redevelopment or regeneration in order to avoid fragmentation of employment areas and to provide the opportunity to meet future business needs.</p> <p>The Article 4 Direction will not prevent the submission of a planning application for a change of use or redevelopment.</p> <p>As above.</p> <p>As for (2) above.</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p>5. The Employment Land Review (Nov. 2016) notes that there is an “...over supply of lower grade stock with concentrations of dated, larger footprint stock to the north of the town centre, specifically at Ancells Business Park which is experiencing relatively high levels of vacancy.”</p> <p>6. Para 22 of the NPPF refers to “...planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose.”</p> <p>7. Conversion to residential (via prior approval) has only been prevented due to the lack of achievable SANG.</p>	<p>Since the ELR in November 2016 there have been prior approval consents which would result in the loss of an additional 20,000m² of employment floorspace.</p> <p>These are established employment sites where future employment uses should be encouraged.</p> <p>The onus is on the applicant, not the Council, to identify appropriate SANG in conjunction with its Prior Approval. Privately-owned SANG could be available.</p>
Units A and B, Bartley Wood	Cerdea Planning	No	<p>1. Para 200 of the NPPF refers to removing national permitted rights being “...limited to situations where this is necessary to protect local amenity or the wellbeing of the area.” The blanket imposition of the Article 4 across all employment sites is without any evidence that the sites are critical to the economy during the Plan period, or necessary to protect local amenity or the wellbeing of the area.</p> <p>2. There is an oversupply of office stock as evidenced by the Employment Land Review (Nov. 2016) which states “...the area has the highest office vacancy rates...”, much of this vacancy is “dated and poor quality stock which no longer meets business requirements”, and the oversupply</p>	<p>Local Plan Policy ED2 seeks to safeguard Strategic and Locally Important Employment Sites throughout the plan period to 2032. Changes of use or redevelopment proposals are subject to policy criteria. The Employment Land Review (ELR) supports the protection of these employment sites and their continued redevelopment or regeneration in order to avoid fragmentation of employment areas and to provide the opportunity to meet future business needs.</p> <p>Since the ELR in November 2016 there have been prior approval consents which would result in the loss of an additional 20,000m² of employment floorspace. Rental levels have</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p><i>“affects rental values and discourages development of new, high quality office space.”</i></p> <p>3. Nationally, permitted development rights have generated 10% of all new houses delivered in 2016/17. Only 2.5% of completions in Hart have been from permitted development rights in the last two years.</p> <p>4. The Council has deliberately frustrated the use of permitted development rights via its control of SANG – Planning Committee report 14th February 2018 and published criteria for allocating SANG 6 October 2017 refer.</p> <p>5. The reason for imposing the Article 4 is developer obligations/contributions and to regain control of the planning process (Planning Committee report 14th Feb. 2018 refers) and not protection of the employment sites to ensure economic growth.</p> <p>6. There is no evidence that those few existing permitted conversions have had any impact on local amenity or wellbeing of occupiers. Providence House in Bartley Wood has sold 89 of the 92 flats converted in the former office building.</p>	<p>increased for more modern buildings and those that have been refurbished.</p> <p>Noted.</p> <p>The onus is on the applicant, not the Council, to identify appropriate SANG in conjunction with its Prior Approval. Privately-owned SANG could be available.</p> <p>In the same paragraph of the Planning Committee report it also refers to the need to protect those office, light industrial and storage/ distribution sites which are of the greatest importance.</p> <p>Providence House is not affected by the Article 4, which aims to protect employment land and economic wellbeing.</p>
Unit D, Bartley Wood	Cerda Planning	No	Same as above.	Same as above.
Building 260 and 270, Bartley Wood	WYG	Prior Approval May 2017 - 17/00814/PRIOR. No SANG	<p>1. The Article 4 is premature ahead of the EIP to consider the local plan employment policies (on which objections have been made on the Strategic Employment Site at Hook). It pre-determines that the employment allocations will survive the EIP intact.</p> <p>2. The Employment Land Review (Nov. 2016) refers to <i>“...an oversupply of dated second hand stock in the FEA and large footprint Grade A</i></p>	<p>If the LP is adopted with any modifications relating to Policy ED2, any implications for the proposed Article 4 will be assessed.</p> <p>Since the ELR in November 2016 there have been prior approval consents which would result in the loss of an</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p><i>accommodation.” and “...an identified over-supply of lower grade office stock with relatively high vacancy rates.”</i></p> <p>3. Para 200 of the NPPF refers to removing national permitted rights being “...limited to situations where this is necessary to protect local amenity or the wellbeing of the area.” Given that there are duly made objections to the local plan which are untested, there is no basis to support the Council’s view that the Article 4 is necessary to protect local amenity or the wellbeing of the area.</p> <p>4. Both Buildings 260 and 270 have extant permitted development approvals for conversion to residential so there is little merit in applying the Article 4 to these units.</p> <p>5. The Market Review by Curchod & Co. indicates that there would need to be an investment of £80-£100 psf at a cost of £9.75m - £12m to bring the buildings back up to Grade A standards. Hook is no longer viewed as a strategic office location with reduced demand for large footprint buildings – Farnborough Business Park is a better location. There are at least 5 units at the Bartley Wood site which have secured permitted development rights to residential, and a clear signal that the employment market place does not agree with the Strategic Employment Site designation.</p>	<p>additional 20,000m² of employment floorspace. Rental levels have increased for more modern buildings and those that have been refurbished.</p> <p>Local Plan Policy ED2 seeks to safeguard Strategic and Locally Important Employment Sites throughout the plan period to 2032. Changes of use or redevelopment proposals are subject to policy criteria. The Employment Land Review (ELR) supports the protection of these employment sites and their continued redevelopment or regeneration in order to avoid fragmentation of employment areas and to provide the opportunity to meet future business needs.</p> <p>Any extant Prior Approval must be completed within 3 years and the Article 4 does not affect this. After 3 years the Article 4 does take effect.</p> <p>As for point (3) above.</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p>6. Para 22 of the NPPF discourages the long term protection of sites allocated for employment use. There is no evidence to support the proposed allocation and protection of this land, and it would lead to a largely derelict business park with increased vacancies during the plan period.</p> <p>7. The Council’s supporting statement contains a number of assertions and generalisations which are challenged:</p> <p>(i) Para 1.4 - does not explain that the employment sites are only subject to ‘draft’ allocations as ‘strategic’, and that these may be found unsound in due course.</p> <p>(ii) Para 2.1 - having acknowledged that Bartley Wood has already been subject to ‘significant erosion of employment floorspace’, provides no explanation as to how it still fulfils a ‘strategic’ function.</p> <p>(iii) Whilst acknowledging that ‘some good quality buildings’ have been lost, the paper fails to establish that any evidence has been produced on a building by building basis to support this assertion. Costs of refurbishment would be uneconomic and Bartley Wood does not perform a Grade A function any more.</p> <p>(iv) It does not address how the role of Hart has changed, and the strong market signals that it no longer performs a strategic marketplace in the local economy.</p>	<p>If the Article 4 is confirmed, a full planning application for a change of use to residential would be determined having regard to relevant planning policies and material considerations.</p> <p>The “Pre-Submission” stage of the local plan has been submitted to the Secretary of State and has substantial weight leading up to the Examination.</p> <p>Para. 40 of the “Topic Paper: Employment” refers to Strategic Employment Areas being important to the sub-regional economy and should be protected for continued B-class uses. The ELR refers to the FEA requiring Development Plans to identify strategic and locally important employment sites.</p> <p>Noted.</p> <p>The ELR concludes that due to the demand for floorspace across the FEA,</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p>(v) It fails to reflect the evidence base findings, that the removal of lower grade office space has been beneficial by removing surplus stock, thus driving rentals to make investment in the genuinely strategic locations, more viable.</p> <p>(vi) Para 2.5 - fails to justify a need for the Article 4, when it is acknowledged that existing floorspace and commitments can meet need until 2032.</p> <p>(vii) Para 3.4 - fails to explain how the prediction of further voids, is compatible with a conclusion that these sites perform a strategic role.</p> <p>(viii) Para 3.8 fails to acknowledge that 'noise' is now a material consideration in new pd applications, such that unacceptable noise as a factor of residential amenity would justify refusal, and so addresses the concern raised about potential living conditions.</p> <p>(ix) Section 4 - omits any reference to these being draft allocations and could be subject to potential change following Local Plan Examination.</p>	<p>that established employment sites should continue to be protected.</p> <p>The ELR concludes that Bartley Wood Business Park provides a range of Grade A office units. Whilst some lower grade units have been converted, remaining units should be protected for the longer term.</p> <p>Para 2.5 also states that employment land is relatively tight and the position needs to be kept under review. Since the ELR in November 2016 there have been prior approval consents which would result in the loss of 20,000m² of employment floorspace.</p> <p>The ELR concludes that Bartley Wood Business Park provides a range of Grade A office units.</p> <p>The Article 4 aims to protect employment land and economic wellbeing.</p> <p>The "Pre-Submission" stage of the local plan has been submitted to the Secretary of State and has substantial weight leading up to the Examination.</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			8. The Council should redraw the plan which accompanies the Article 4 to exclude land at Bartley Wood Business Park, and withdraw the Article 4 until the Local Plan is found sound.	The Article 4 can be reviewed if necessary in light of the Inspector's report.
Unit 9, Finns Business Park	Hollis Hockley	No	<p>1. The majority of industrial units on the Locally Important Employment Sites are of a size and nature whereby conversion to residential is unlikely in practical and construction terms eg.</p> <ul style="list-style-type: none"> • Glazing only possible to front and rear; • Steel frame construction with aluminium cladding is unappealing and unlikely to be mortgageable; • Lack of space for garden; • The units sit uncomfortably with adjacent commercial traffic; • Cost of conversion to residential is uneconomic. <p>2. Most of the units are in full occupation commercially – they are more valuable in commercial terms and if there was a desire to convert to residential this would have happened already. The existing use value exceeds the potential residential value.</p> <p>3. Units 12-24 at Finns are large units, uneconomic to convert and do not have a realistic alternative use. Units 1-11 however are smaller with their own car parking areas. Units 10 and 11 received prior approval consent and have been converted to residential. These units do not have passing commercial traffic and relate well to a residential format. There will be new build office schemes in the area which will provide modern floorspace more suitable to this type of market.</p>	The ELR concludes that due to the demand for floorspace across the FEA, that established employment sites should continue to be protected. Four of the units at Finns have received Prior Approval and have been converted, and there are a further 9 units which are similar in size.
Silvergate, Redfields Industrial Park	Vail Williams	Prior Approval April 2017 - 17/00244/PRIOR. No SANG	1. Remove Silvergate from the Article 4 Direction. Various references are made to the HDC Supporting Statement with points of note underlined.	Local Plan Policy ED2 seeks to safeguard Strategic and Locally Important Employment Sites throughout the plan period to 2032. Changes of use or redevelopment proposals are subject to policy criteria. The Employment Land Review (ELR) supports the protection of these employment sites and their continued

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p>2. Silvergate was built as a high-tech unit which became B1 office/business with low eaves and limited storage – the premises are different from other units in the industrial park. The building was built in 1987 but there is no longer any demand for such accommodation. It has been empty for 4 years and there have been no offers for lease or freehold purchase – due to building not fit-for-purpose, large floor area and too remote for potential occupiers. The Hurst Warne report concludes that modern businesses are seeking high quality modern buildings close to amenities and transport hubs. Silvergate should have the flexibility to convert to residential use via permitted development otherwise the building will remain empty.</p> <p>3. There is already residential development in close proximity to Redfields and further residential use would be compatible with B1 office use. Controls are already in place for the Prior Approval process to protect residential amenity and ensure that suitable accommodation and environments can be created. The Article 4 in these locations is therefore unjustified.</p> <p>4. Redfields is not a desirable business location to attract occupiers and is not fit for purpose. The cost of refurbishing the building for office/industrial use would not be viable due to the loss of floorspace and the rental values in the area.</p> <p>5. Any industrial premises lost due to Prior Approval can be replaced with new provision elsewhere in accordance with Local Plan Policy ED1 “New Employment”. Silvergate could be redeveloped for other uses and would comply with criteria (a) – (d) of Policy ED2 “Safeguarding Employment</p>	<p>redevelopment or regeneration in order to avoid fragmentation of employment areas and to provide the opportunity to meet future business needs.</p> <p>Silvergate has already been granted a Prior Approval which can be completed within 3 years and the Article 4 does not affect this. After 3 years the Article 4 does take effect.</p> <p>The designated employment site at Redfields is not a residential allocation. The Employment Land Review says employment sites should be protected and their continued redevelopment or regeneration be encouraged in order to meet business needs.</p> <p>Other than Silvergate, the ELR noted that all the other units at Redfields were occupied and the site is well located for access to the A327.</p> <p>The local plan has not allocated specific new employment sites. The Prior Approval can be completed</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			Land and Premises” - there are no strong economic reasons to retain the employment use.	within 3 years or a planning application submitted after 3 years.
	Winchfield Parish Council		<ol style="list-style-type: none"> <li data-bbox="667 306 1612 405">1. The Article 4 will block the redevelopment of brownfield sites due to its restrictive approach. The definition of PDL in the local plan glossary is not the same as in the NPPF. <li data-bbox="667 737 1612 909">2. Where employment uses are no longer sustainable or fit-for-purpose, or unattractive to employers to remain or locate, the future development of employment sites should not be impeded. Para 54 of the draft NPPF 2018 refers to Article 4 directions being “...limited to situations where this is necessary to protect local amenity or the wellbeing of the area.” <li data-bbox="667 954 1612 1267">3. The Employment Land Review in respect of Ancells Business Park concludes that it is underperforming with relatively high vacancy levels due to older and larger footprint office buildings. The edge of settlement location, amount of 1980s large buildings and lack of nearby amenities could be factors in the lack of take up. Loss of business floorspace to residential use through Prior Approvals could be impacting on the site’s attractiveness. The HDC “Topic Paper – Employment” also refers to deficiencies at Ancells Business Park and Bartley Wood due to an over-supply of lower grade stock. <li data-bbox="667 1311 1612 1378">4. In Rushmoor employment trends have dropped (Wessex Report) but RBC is encouraging permitted redevelopment of office buildings to residential. 	<p data-bbox="1630 306 2101 513">If the Article 4 is confirmed, a full planning application for a change of use to residential would be determined having regard to relevant planning policies and material considerations.</p> <p data-bbox="1630 558 2101 692">The definition of PDL in the local plan glossary has been amended to be consistent with the NPPF definition (Mod 72).</p> <p data-bbox="1630 737 2101 836">Any proposal for future development can be the subject of a planning application.</p> <p data-bbox="1630 954 2101 1123">Since the ELR in November 2016 there have been further prior approval consents which would result in the loss of 20,000m² of employment floorspace.</p> <p data-bbox="1630 1311 2101 1410">In May 2017 RBC confirmed an Article 4 direction to require developers to make a planning application for any</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			<p>Hart is imposing restrictions which prevent the redevelopment of office buildings.</p> <p>5. The assessment of SANG report to Cabinet 5 October 2017 in combination with local plan Policy ED2, would block any redevelopment for residential use on the employment sites, since HDC-controlled SANG would not be allocated due to the restrictive criteria.</p>	<p>proposed conversion of offices, light industrial or storage and distribution units to residential. The Article 4 came into effect on 19th February 2018.</p> <p>The onus is on the applicant, not the Council, to identify appropriate SANG in conjunction with its Prior Approval. Privately-owned SANG could be available.</p>
	Winchfield Action Group		<p>1. WAG supports and fully endorses Winchfield PC comments. (see above)</p> <p>2. The Article 4 will create pressure for development on greenfield sites, contrary to the local plan objectives to maintain the rural nature of Hart and to preserve the character of towns and villages.</p> <p>3. The office market in Fleet is moribund as larger users vacate to larger centres benefitting from more amenity such as Farnborough Business Park, Reading and Basingstoke. There is potential to redevelop unwanted office stock for residential and focus B1 provision in locations better serviced by public transport and amenity.</p> <p>4. Some 327 units in Hart with Prior Approval consent are being thwarted by the Council's refusal to release SANG land to support these developments.</p>	<p>See responses above for Winchfield Parish Council.</p> <p>Future housing needs and locations are addressed in the local plan under Policy SS1 "Spatial Strategy and Distribution of Growth" where the focus will be within settlements and in Hartland Village. The open nature of the countryside should be maintained, and development will only be supported under specific criteria in Policy NBE1 "Development in the Countryside".</p> <p>The Employment Land Review concludes that due to the demand for floorspace across the FEA, that established employment sites should continue to be protected in order to provide the opportunity to meet future business needs.</p> <p>The onus is on the applicant, not the Council, to identify appropriate SANG</p>

Site	Agent/ Objector	Prior Approval?	Issue	Response
			The Council's approach would rather see these buildings remain empty and new houses delivered on greenfield sites.	in conjunction with its Prior Approval. Privately-owned SANG could be available.
	Local Resident		Same comments as Winchfield Parish Council.	See responses to Winchfield Parish Council above.
	Church Crookham Parish Council		Supports the proposal in connection to Church Crookham sites.	Support for the Article 4 is noted.
	Crondall Parish Council		Unanimously support Hart's removal of permitted development rights for changes of use to residential on the District's employment sites.	Support for the Article 4 is noted.
	Rushmoor Borough Council		The plan of Optrex Business Park does not reflect the actual boundary of the property.	A site visit was undertaken and a boundary amendment is considered appropriate to encapsulate part of the site which is in use but not currently reflected in the employment site boundary. This is a suggested minor modification to the Local Plan – Mod No. 84



Our Ref: A100801

5th June 2018

Planning Policy
Hart District Council
Harlington Way
Fleet
Hampshire
GU51 4AE

Dear Sir/Madam,

Proposed Article 4 Direction – Hart District

WYG act on behalf of UKSEI Ltd, who have land interests at Bartley Wood, Hook. Specifically, they own the freehold of two buildings, Building 260 and Building 270. I am instructed by them to object to the proposed inclusion of these two units specifically, and the Bartley Wood business park more generally, within the area encompassed by the Article 4 – Employment Land made on 2nd May 2018.

These objections are made under the following headings:

Prematurity
Guidance on Use of Article 4
The status of Units 260/270
Employment Land/Market Review

Dealing with each of these in turn:

Prematurity

The making of the Article 4 direction is premature ahead of the examination of the Local Plan's employment policies, upon which the Article 4 appears to be being based. UKSEI Ltd have duly made objections to the proposed allocation in the emerging Hart Local Plan 2016 – 2032 of Bartley Wood, Hook as a Strategic Employment Site. Those objections are supported by detailed analysis of the local employment market from local property agents Churchod & Co. and have yet to be tested at examination (copy attached for completeness).

The duly made objections are also critical of the Council's use of its own evidence base which continues to propose Bartley Wood as an allocation, notwithstanding that their own research (Hart, Rushmoor and Surrey Heath Joint Employment Land Review Update – Final Report – November 2016,) identifies;

“There is an oversupply of dated second hand stock in the FEA, and also of large footprint Grade A accommodation that was originally constructed as campus sites for single occupiers”.



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It goes on to conclude (para 10.5);

"Demand for office accommodation in the FEA remains limited to quality Grade A stock in prominent, multi-occupancy, business park locations. There is an identified over-supply of lower grade office stock with relatively high vacancy rates (11.9%) that is becoming increasingly obsolete and/or uneconomic for operators to run"

The Article 4 pre-determines that the allocations will survive Local Plan Examination intact, however this will not be known until the Inspector's report has been published.

By pursuing the Article 4 now, linked to the identification of Strategic Employment Sites in an untested and draft Local Plan policy, and without the support from its own evidence base, the Council's pursuit of the Article 4 is deemed premature. The Council is trying to use an Article 4 direction as a shortcut to impose a requirement of some known controversy (because of the duly made local plan objections) which ought properly to be tested at independent examination and only imposed (if at all) as part of the Local Plan. To use the Article 4 process as a means of avoiding the proper scrutiny of its proposed allocations through the Local Plan process, is potentially unlawful in the way it has been proposed here. In a similar context, the High Court found in *William Davis et al v Charnwood Borough Council* [2017] EWHC 3006 (Admin), that the use of an SPD to avoid scrutiny of a policy regulating development, was unlawful. The issue here, is that the Council's approach for the Article 4 relies on its emerging Plan policies remaining unaffected by their forthcoming independent Examination, before they have been tested through the Hearing process.

Guidance on Use of Article 4

NPPF para 200 states; *"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"*. Emerging NPPF2 maintains the same provisions (para 54).

In publishing the Article 4, the Council have referenced on their web site their 14 February 2018 Planning Committee report as a background paper, which led to the recommendation to serve the Article 4 direction. That committee report set out at para 4.8 that *"A detailed supporting paper will be prepared outlining the arguments for introducing an Article 4 direction in Hart in more detail."*

That additional paper was only issued on the 18th May, 2 weeks after the commencement of the consultation period. It is unsatisfactory that evidence relied upon by the Council in justifying the making of an Article 4, was not produced until after the consultation period commenced. This is important because in the same Committee Report (para 5.3) Members were advised:

"Intervention by the Secretary of State

The Secretary of State has the power to make a direction that modifies or cancels an Article 4 direction made by a local planning authority at any time before or after its confirmation. However, given that the justification for introducing an Article 4 direction in Hart is strong, and the direction would be specifically targeted and apply only to the District's Strategic and Locally Important Employment Sites, it is considered that the risk of intervention by the Secretary of State is low."



This advice critically omitted to advise Members that the Strategic Employment Sites were a draft designation and subject to change through the normal Local Plan process, if found unsound. It also followed the statement regarding the intended production of an additional supporting paper, which was not published until midway through the consultation period. My client is reviewing with their legal team, the implications of these omissions.

Given that the duly made and robust objections to the emerging local plan are untested at this time, there is simply no basis to support the Council's contention that the Article 4 is *necessary to protect local amenity or the wellbeing of the area*.

Article 4 directions should not be used as a means of subverting the Government's agenda for relaxing control's related to enable the best use of previously developed land, and hence reduce development pressures on the open countryside. As was noted by the then DCLG at the time that the provisions in the GPDO were made permanent;

"The move will provide thousands of new homes and make the best use of existing buildings including some that are underused and neglected – while at the same time protecting the green belt."

The status of Plots 260/270 Bartley Wood Business Park

Both these units are currently the subject of extant Permitted Development approvals for conversion from office to residential (LPA reference 17/00814/PRIOR). Irrespective of the wider issues relating to the Bartley Wood Business Park, therefore, there seems little merit in seeking to apply the Article 4 direction to my client's units at this time. On this basis alone, it is requested that units 260 & 270 be excluded from the area affected by the Article 4.

Employment Land/Market Review

The two plots in my client's ownership, whilst they may have been 'Grade A' at the time of their construction in the early 1990's are now nearly 30 years old. The buildings do not meet current expectations for grade A space, in terms of matters such as glazing, building insulation, lighting fit, and energy use, such that they no longer meet a Grade A specification.

Evidence provided by Curchod & Co. indicates that in order to bring the buildings up to current Grade A standards, there would need to be an investment of some £80 - £100 per sq ft, at a cost of some £9.75m to £12m. Such an investment is simply not economic in the marketplace, where Hook is no longer seen as a significant business location.

These large footprint units have served their time in the market, there have been only 2 potential deals in the last 5 years where lessors/purchasers were large enough to have even considered these scale of buildings. As the Council's own evidence base confirms with regard to lower grade Office accommodation, *"There is limited demand for such premises but the supply of floorspace remains high... the current over supply of office accommodation limits investment in refurbishing such stock, as low rent levels make such investment unviable"*. (Hart, Rushmoor and Surrey Heath Joint Employment Land Review Update – Final Report – November 2016, para 6.17)



It goes further to identify that exercise of Permitted Development rights has actually had the beneficial effect of removing lower quality stock and to reduce office vacancy levels, "*However, there is still a substantial amount of lower quality stock on the market*" (ibid para 6.18).

The Council have not produced evidence to explain how the '*well being or amenity of the area*' (NPPF 200) would be adversely affected if the Article 4 were not served on my client's land. To the contrary, the Council's Local Plan evidence base, actually acknowledges that exercise of the Permitted Development rights has had a beneficial market effect.

The two units in my client's freehold ownership are currently let to Virgin Media, only one of those is itself occupied (Unit 270), with Unit 260 having been vacant since 2014. Virgin have indicated their clear intention to leave Hook upon the expiry of their lease in November 2019. It is understood they consider a location focussed on the M4 corridor is more appropriate to their business requirements. It is the pending vacation of this unit, which has driven my client to obtain permitted development approval for an Office to Residential conversion (LPA reference 17/00814/PRIOR), as their lower grade Office accommodation is obsolete in the current employment market.

Within the parameters allowed by their existing tenant, UKSEI Limited have been undertaking marketing of the buildings, seeking new occupiers. None have been forthcoming (see Churchod & Co report Section 3). My client has sought support from public officials to seek to encourage Virgin to remain in Hook, however no material support has been forthcoming, including from the local MP.

Whilst it may be an unwelcome reality, the fact is that Hook is no longer viewed by occupiers as a strategic office location, in a locality typified by a significantly reduced demand for large footprint buildings, and where evidence of take up has fallen dramatically over a 20-year period. That position, of preferred strategic location, is taken by sites such as the Farnborough Business Park which does not suffer the issues of poor amenity, dated buildings, limited rail access and an 'off market' location which all affect Hook (Curchod & Co Market Review March 2018 – Section 4.4).

The exercise of Permitted Development rights has not been limited to my client's buildings, as the Council's Local Plan Employment Topic Paper graphically illustrates (Appendix 3), there are at least 5 units at Bartley Point/Bartley Wood that have secured Permitted Development rights. This is as clear a market signal as should be required, to understand that the employment market place does not agree with the Council's proposition that this is a Strategic Business Park location, with Grade A accommodation capable of maintaining that position for the plan period. Indeed, the Council's conclusions in their Employment Site Assessments (November 2016), that the Business Park provides a 'range of Grade A space', is not supported by any evidence of a building by building analysis at the Park, or any wider of assessment of the quality of supporting facilities at the Park, when compared to the market competition at sites such as Farnborough Business Park.

NPPF para 22 discourages the long-term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose. At Hook, the Business Park has fulfilled a function for the last 30 years, but there is no evidence to support the proposed allocation and protection of this land as performing a Strategic Employment function for the remainder of the Plan Period. Such a level of protection is inconsistent with the guidance at NPPF 22, and in a practical sense is likely to lead to a largely derelict Business Park, as vacancies increase during the plan period, and opportunities for urban regeneration of the land to other, non-employment based uses, are denied. The use of an Article 4 direction to add further restriction on uses at Bartley Wood, is unnecessary, and its justification unproved.



All of this is within a context where a number of units within the park have already secured residential use, through exercise of permitted development rights, including my client's two buildings. Some of those conversions are already under construction or complete. My client does not wish to see future residential occupiers of their buildings to be living alongside an Office Park with increasing levels of vacancy, and potential dereliction. The proposed Article 4 direction, in its protection for Bartley Wood, runs contrary to the clear intent and spirit of the relaxations afforded by Class O of the GPDO, to allow a more commercially responsive approach to changing employment markets. It is also unsupported by the Council's own evidence base, which recognises the difficulty in the sub prime office market, of oversupply in that market against demand (even when PDR consents are accounted for), and of the benefits in actually allowing non-Grade A stock to be removed from the market supply.

Article 4 Direction – Employment Land: Supporting Statement by Hart District Council

This supporting statement (integral to the Article 4 consultation, as it purports to be the supporting justification) was published by the Council on the 18th May, two weeks after the consultation period commenced. The minimum period established for consultation by the GPDO Schedule 3 is 6 weeks. On this ground alone, the consultation process is unlawful, and must be recommenced afresh. Members were also misled in the advice received from Officers in February 2018, when it was identified that the production of the supporting documents, would pre-date the publication of the Article 4 Notice. This error can only be rectified by recommencing the consultation period afresh.

The statement as published contains a number of assertions and generalisations which are challenged (and are also challenged through the Local Plan process), it also omits to acknowledge that the emerging Local Plan allocations are subject to challenge, and *may* be found unsound, when the Plan is examined.

Key areas of disagreement with the statement include;

- Para 1.4 does not explain that the employment sites are only subject to 'draft' allocations as 'strategic', and that these may be found unsound in due course.
- Para 2.1, having acknowledged that Bartley Wood has already been subject to 'significant erosion of employment floorspace', provides no explanation as to how it still fulfils a 'strategic' function.
- Whilst acknowledging that 'some good quality buildings' have been lost, the paper fails to establish that any evidence has been produced on a building by building basis to support this assertion, no reference is made to my client's duly made and supported representations to the local plan which identify the uneconomic costs of refurbishment, or why the Bartley Wood site (and their buildings in particular) do not perform a Grade A function any more.
- The paper does not address how the role of Hart has changed, and the strong market signals that it no longer performs a strategic marketplace in the local economy.
- The paper fails to reflect the evidence base findings, that the removal of lower grade office space (such as my client's at Hook), has been beneficial by removing surplus stock, thus driving rentals to make investment in the genuinely strategic locations, more viable.
- Para 2.5 fails to justify a need for the Article 4, when it is acknowledged that existing floorspace and commitments can meet need until 2032.
- Para 3.4, fails to explain how the prediction of further voids, is compatible with a conclusion that these sites perform a strategic role.



- Para 3.8 fails to acknowledge that 'noise' is now a material consideration in new pd applications, such that unacceptable noise as a factor of residential amenity would justify refusal, and so addresses the concern raised about potential living conditions.
- Section 4, again omits any reference to the significance of these being draft allocations and that the allocations are subject to potential change following Local Plan Examination.

The statement provided by the Council does not provide a fair critique of the employment land evidence, nor does it reflect the genuine concerns that have been raised by my client about the potential unintended effects of the local plan allocations and the Article 4, which will see buildings become vacant and unused, incapable of economically beneficial use.

Conclusions

Strong and evidenced objection is raised to the proposed imposition of an Article 4 direction at Bartley Wood Business Park, and more specifically in respect of units 260 and 270.

The Council's reasoning for their proposed Article 4 imposition at Bartley Wood is unevidenced and without merit. It is also premature in identifying Strategic Employment Sites to be covered by the Article 4, ahead of those draft allocations being tested and/or found sound or unsound at the forthcoming Local Plan Inquiry.

The Council are invited to re-draw the plan which accompanies the Article 4, to exclude the land at Bartley Wood Business Park, and to withdraw the Article 4 until the emerging Local Plan has been found sound.

Your faithfully,

A handwritten signature in blue ink, appearing to read 'Keith Fenwick'.

Keith Fenwick

Director

For and on behalf of WYG

Encl Hart Local Plan Representations from UKSEI Ltd

cc J Brokenshire – SoS MHCLG
G Canning – UKSEI Ltd

Our ref: NR/HH

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22nd October 2018

Mr Keith Fenwick
 WYG Environment Planning Transport Limited
 54 Hagley Road
 Edgbaston
 Birmingham
 B16 8PE

Dear Keith

RE: Hook – Rental Activity Note October 2018

It is difficult to argue that rents across the region have not increased over recent years, the market is very cyclical and generally rents increase when the economy improves. This trend has been particularly stark for the ‘best in class’ locations referred to in my original report i.e. Farnborough Business Park which appeals because of its amenity offering, excellent location, and high quality buildings.

Headline rents on lettings agreed on less favourable locations have seen limited rental uplifts and arguably some rents have fallen in value, good evidence of this trend can be seen in 2 recent Hook Lettings which are summarised as follows:

Building	Form 1, Bartley Wood Business Park, Bartley Way, Hook, RG27 9XA
Letting size	4,300 sq.ft.
Tenant	Whiteoaks
Date	May 18
Lease	6 years subject to a tenant only break at the end of the 4 th year.
Rent	£19.25 per sq. ft. (headline) / £16.44 per sq. ft. (net)
Incentive	7 months rent free

Building	Form 1, Bartley Wood Business Park, Hook, Hampshire, RG27 9XA
Letting size	5,045 sq. ft.
Tenant	Neology UK Ltd
Date	July 18
Lease	10 years subject to a tenant only break at the end of the 5 th year.
Rent	£18.50 per sq. ft. (headline) / £12.95 per sq. ft. (net)

Form 1 has been comprehensively refurbished and offers high quality space and the net effective rents achieved are depressingly low. This is very clear evidence that a refurbishment of 260 & 270 Bartley Wood Business Park is unviable.



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Another example might be the letting in Q4 2017 of 12,800 sq. ft. in 11 Watchmoor Park, Camberley which is a comprehensively refurbished office building in a mature business park environment. The lease was for a term of 10 years with a break option after 5. The head line rent was achieved at £22/sq. ft. which on the face of it supports the notion that market rents are improving. However, 27 months' worth of rent free was conceded. With a penalty payment due of 9 months if the break were exercised the net rent over 5 years equated to only £15.40/sq. ft.

In Q2 2018 a further 22,500/sq. ft. was let on a straight 10 year term without break, again at a rent of £22/sq. ft. and with 28 months' rent free. Over the full term of 10 years this equated back to £16.87/sq. ft.

Further evidence of a deteriorating market is demonstrated by the fact that Lenovo have recently moved out of Form Two, Bartley Wood Business Park totalling approx. 20,000 sq. ft.

Of greater importance is the lack of activity in the market and indeed since writing my original report the market has got more challenging with fewer companies looking for new premises and transaction levels also falling.

In summary supply has reduced but there is still an oversupply and depressed rental values make new office development or refurbishment unviable.

Kind regards

A handwritten signature in black ink, appearing to read "Nick Reeve".

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