

Evidence base to support the justification of new Article 4 directions at Butterfield Green and Business Park and Capability Green

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Background information

The current position

The new permitted development right for Class MA replaces Class O and part of Class M as they previously related to the change of use of office and retail premises to residential uses respectively.

Permitted development rights granted by the new Class MA must meet all of the following criteria;

- The building must have been vacant for a continuous period of at least 3 months immediately prior to the date of the application for prior approval.
- The building must have been in Use Class E use for a continuous period of at least 2 years prior to the date of the application for prior approval.
- The cumulative floor space of the building to be converted cannot exceed 1,500 square metres (by cumulative, it means including all previous applications under Use Class MA).
- The building (or land on which it sits) cannot form part of a site of special scientific interest, a listed building or its curtilage, a scheduled monument or its curtilage, a safety hazard area, a military explosives area.
- The building cannot be within an area of outstanding natural beauty (AONB), an area specified by the Secretary of State for the purposes of section 41(3) of the Wildlife and Countryside Act 1981, the Broads, a National Park or a World Heritage Site.

Applications for prior approval for the new Class MA are also subject to the following conditions that are required to be assessed;

- The impact of that change of use on the character or sustainability of the conservation area;
- Transport impacts of the development, particularly to ensure safe site access;
- Contamination risks in relation to the building;
- Flooding risks in relation to the building;
- Impacts of noise from commercial premises on the intended occupiers of the development;
- Where the building is located in a conservation area; and the development involves a change of use of the whole or part of the ground floor, the impact on the local provision of the type of services lost;
- The provision of adequate natural light in all habitable rooms of the dwelling houses;
- The impact on intended occupiers of the development of the introduction of residential use in an area the authority considers to be important for general or heavy industry, waste management, storage and distribution, or a mix of such uses; and
- Where the development involves the loss of services provided by; a registered nursery or health centre maintained under section 2 or 3 of the National Health Service Act 2006; the impact on the local provision of the type of services lost.

In addition, developers will need to submit a floor plan showing the total floor space in square metres of each proposed dwelling house. This will be subject to the national space standards requirements¹ (a condition) that the now expired Class O and M were not subject to). There is also a requirement to notify adjoining owners and occupiers of the intended change of use via consultation.

Problem definition

Under the permitted development regime, the council is not able to exercise full planning control on conversions from commercial, business and service uses (including offices) to residential units. Permitted development under Class MA can only give consideration to issues relating to; impacts relating to the character and sustainability of the conservation area, transport and highways issues, loss of residential amenity, contamination risks, flood risks, provision of natural light within the new dwelling) hence the consequences for the wider urban environment and for the Council are not considered (including causing additional costs).

These type of conversions cause a number of issues for Luton and the town's priorities as outlined in the adopted local plan, council's constitution and supporting strategies.

Issues arising from conversions from retail to residential under Class M and offices to residential under class J (post May 2013) and class O (post 30 May 2016 and pre 01 August 2021) can be seen from prior approval applications that have been permitted in the past.

Examples of office to residential conversions that have been permitted following a request for prior approval include;

- 13/01643/COM; Wesley House, 19 Chapel Street, Luton, Bedfordshire, LU1 2SE Request for Prior approval - Convert office accommodation 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th 9th and 10th floors from office to dwellings i.e. Class J - change of use from B1(a) (offices) to C3 (dwellings).
- 15/00552/COM; Unity House, 111 Stuart Street, Luton, Bedfordshire, LU1 5TD Request for prior approval - Change of use from class B1(a) (offices) to C3 (dwellings). Class J.
- 16/00677/COM; Chubb House, 400 Dallow Road Luton, Bedfordshire, LU1 1UL Request for Prior Approval - change of use from office(s) (B1a) to (C3) residential. (Class O) 130 Dwellings.

The issues for Luton are summarised below (in no order of significance):

- Loss of employment space, resulting in loss of potential jobs and inward investment
- Lack of facilities for recreation space (especially for children)²
- Increase in population and, particularly, requirements for additional local school places which are not necessarily accounted for in school roll projections (as these are unplanned developments) and hence adding to the shortage of school places across the borough. education data shows that the 130 units at Chubb House have resulted in an additional 57 children requiring school places in September 2017 (of which 22 are in Year R or Year 1)
- Increased domestic waste generation (in potentially inappropriate locations for effective disposal).
- Poor quality residential accommodation: Limited or no private amenity space likely loss of potential family homes that would have been required under the full planning process, and a proliferation of one bedroom flats, poorer outlook, access to natural daylight, sunlight compared to residential units granted under full planning permission³. Using Chubb House, Dallow Road as an example which included 15*2beds and 2*3beds with remaining 113 residential units as 1 bed and studio flats, resulted in 87% of the housing provision from the application as either 1bed or studio flats. This is the inverse of Luton's housing need for predominately three bedroom homes.
- Loss of s106 contributions: Education data shows that the prior approval application permitted at Chubb House should have made a £109,000 contribution towards education requirements.

Justification for the proposed Article 4 Direction

The Employment Land Review 2013 (ELR) was commissioned to form part of Luton's evidence base for the adopted local plan (Luton 2011-2031). The ELR is referred to below as evidence of Luton's need to retain and increase commercial space to accommodate forecasted growth in employment.

¹ Article 3, Para 9A and 9B of the General Permitted Development Order 2015 (as amended), enacted 06 April 2021

² Clifford, Canelas, Ferm, Livingstone, Lord, Dunning, (2020), Research into the quality standard of homes delivered through change of use permitted development rights

³ Ibid.

Office market

Within Luton there are two largely separate office markets; town centre office stock which generally tends to be older, poorer quality and accommodating smaller, lower value businesses; and out-of-centre provision, which tends to be modern high-quality space. The out-of-centre office parks Butterfield Green Technology Park and Capability Green are very high quality, largely successful developments serving a sub-regional role. The out-of-centre market serves a wider variety of sub-regional and regional businesses and also provides a key focus for inward investment in the area.⁴

A large proportion of demand for this type of space comes from businesses looking to relocate from higher cost locations to the south of Luton such as St. Albans and London however providing the same quality of office space as these areas. As a result, most of the future demand for high-quality office accommodation appears more likely to be focused closer to sites with good access to the M1 requiring office park rents comparable to Milton Keynes and St Albans. These locations have tended to attract larger, good quality businesses from outside of Luton.⁵

Job growth estimates

The ELR 2013 analysed forecasts of job growth for Luton Borough up to 2031 produced by the East of England Forecasting Model (EEFM) in 2012.

The EEFM produced forecasts on the estimated job growth expected in Luton from 2011 to 2031 in uses covering Manufacturing (General Industry), Distribution and Offices and Research and Development (R&D). Offices are forecasted to have the largest job growth of these sectors amounting to a net gain of approximately 8,790 jobs. Based on EEFM forecasts this represents 49 per cent of the overall job growth forecast in Luton which is predicted as 17,825 which is expected to be mainly within retail, health care, leisure and air transport. It should be noted that this could result in even a higher percentage of potential E Use Class growth as some elements of manufacturing, retail, healthcare and leisure could all fall within E Class uses.

Table 1 EEFM baseline forecast employment change in Luton 2011-2031

	No. of Jobs		Change
	2011	2031	2021-2031
Manufacturing	13,375	10,155	-3220
Distribution	8,595	10,695	2,100
Offices	18,230	27,030	8,790
Total B-class Jobs	40,200	47,880	7,670
Jobs in All Sectors	96,350	114,175	17,825

Source: EEFM/ Nathaniel Litchfield and Partners analysis 2012 –total jobs including self-employed * numbers rounded. Nathaniel Litchfield and Partners (NLP) ELR 2013

Demand vs Supply of office space

The ELR 2013 confirms that Luton has above average unemployment, modest levels of new firm formation and a predominantly lower skilled workforce. Representation in ‘knowledge based sectors’ (a sector which is increasingly based on knowledge-intensive activities, creating a greater reliance on intellectual capital rather than physical inputs) is generally low, although its level of business service jobs has been above average.⁶

Luton’s employment space is predominantly (78 per cent) industrial, which is considerably more than neighbouring boroughs, with more modest level of office provision.⁷

Where uses relating to commercial non-retail uses were being lost (mostly industrial), there had been sizeable gains in office provision to offset this.⁸

⁴ Nathaniel Litchfield & Partners (2013) Luton Borough Council, Employment Land Review , Final Report, March 2013

⁵ ibid

In the town centre and edge of town centre, where some offices may have become old and not fit for purpose, and proposals to refurbish and modify these offices have not been coming forward, some loss of office space could potentially be released for office conversions into other uses.

However Luton relies on Butterfield Business and Technology Park and Capability Green Business Park as two very high quality office parks serving a sub-regional role, attracting economic growth within and outside.

Luton, providing employment opportunities particularly in knowledge based and technological sectors currently under provided in Luton.⁹

The ELR 2013, assessed future requirements for employment space under a range of economic scenarios and approaches, reflecting forecasts of employment growth from the East of England Forecasting Model (EEFM) and projecting forward past development trends in Luton.

Five scenarios were considered. These approaches are explained in detail below. All scenarios in concluding their estimates for floor space requirements to accommodate future growth considered floor space needs depending on the nature of use, with consideration of average vacancy rates, and potential and unforeseen factors which could affect realisation of estimates, such as delays in completion of developments and forecasting errors.

Scenario 1 - EEFM job growth: This scenario looked at requirements for estimated job growth based on the EEFM.

Scenario 2 - ONS based job growth: This scenario looked at requirements for estimated job growth based on EEFM projections for employment but also considered Office for National Statistics estimates of population and migration change in the borough.

Scenario 3 - baseline past development rates: This scenario produces estimates on required floor space to accommodate future growth based on past development trends between the years of 2001 and 2011 to forecast how much would be required for 2011-2031 if the development trend remained exactly the same.

Scenario 4 and 5 - lower and higher development rates: These scenarios were based on average completion rates between 2001 to 2011 but excluding years where development was particularly high (2007/2008) or unusually low (2010/11). Scenario 4 reflects a more pessimistic future outlook than scenario 3 where future growth rates never quite reach the higher past rates in a much slower period of national economic growth and scenario 5 reflect a more optimistic outlook in which the low rates of 2010/11 are not repeated and UK economic recovery is better than expected.¹⁰

Some reflect assumptions of higher future development rates in Luton than in the recent past, and some were lower.

Table 2 Gross Floor space Requirement by Scenario = 2011-2031 (m2)

⁶ ibid

⁷ ibid

⁸ ibid

⁹ ibid

¹⁰ ibid

Scenario	Labour Demand		Past Development Rates		
	1 EEFM job growth	2 ONS based job growth	3 Past take-up continues	4 Lower future take-up	5 Higher future take-up
Offices	133,200	132,300	147,600	125,900	159,200
Light industrial, general industrial and storage and distribution	96,200	93,800	175,000	90,500	199,600
All B Uses	229,400	226,200	322,600	216,400	358,800

Source: Nathaniel Litchfield and Partners (NLP) ELR 2013

Whilst the ELR 2013 assessed demand versus supply in forecasting requirements for employment floor space between 2011 and 2031 for industrial and office uses based on five different growth scenarios, whereas industrial uses were found to be potentially in surplus in three of these scenarios, forecasts for office space requirements in comparison was noted as having a significant shortfall of office space supply in all five potential growth scenarios. This shortfall ranged from 5,300m² to 38,600m². It should be noted that even those figures were dependent on developments on all identified land supply coming forward.

Table 3 Demand v Supply of Industrial Space in Luton by Scenario (m²) covering period 2011-2031

	1 EEFM job growth	2 ONS based job growth	3 Past take-up continues	4 Lower future take-up	5 Higher future take-up
Requirement for industrial space (m ²)	96,200	93,800	175,000	90,500	199,600
Available supply (m ²)	154,770				
Surplus (+)/shortfall(-) (m ²)	+58,570	+60,970	-20,230	+64,270	-44,830

Source: Nathaniel Litchfield and Partners (NLP) ELR 2013

Table 4 Demand v Supply of Office Space in Luton by Scenario (m²) covering period 2011-2031

	1 EEFM job growth	2 ONS based job growth	3 Past take-up continues	4 Lower future take-up	5 Higher future take-up
Requirement for office space (m ²)	133,200	132,300	147,600	125,900	159,200
Available supply (m ²)	120,600				
Surplus (+)/shortfall(-) (m ²)	-12,600	-11,700	-27,000	-5,300	-38,600

Source: Nathaniel Litchfield and Partners (NLP) ELR 2013

In light of the forecasted shortfall in office space required to meet expected job growth in Luton, ELR 2013 is clear in that Luton needs to:
'Retain its main existing sites, as far as a possible and to ensure employment space is delivered on them within the plan period.'

This is of particular importance for high quality modern office parks serving higher skilled knowledge based services like Butterfield Business and Technology Park and Capability Green Business as key priority sites. It was also advised in the ELR 2013 that most of the older employment areas should be retained until replacement sites become available.¹¹

¹¹ ibid

In order to address the forecasted shortfall in office space needed to support growth in Luton, the ELR 2013 has suggested a number of solutions to increase office provision including, encouraging more office development on all employment sites as such the loss of key modern high quality office spaces would be contrary to seeking to increase office floor space in Luton to attract economic growth and inward investment.

Rate of unemployment and claimant activity

The ELR 2013, provided evidence that the Borough's unemployment rate was higher at 10.8% than the regional average (6.6 per cent) and national average (8.1 per cent) rates.¹²

Claimant unemployment was also noted as rising significantly in Luton from 2.6 per cent at the start of the recession in early 2008 to 4.8 per cent in August 2012. This was noted as being higher than in the East of England (3.0 per cent) and also above the national average (3.8 per cent).¹³

Up to date figures, show that six months into the pandemic, Luton had the eighth highest claimant count out of 63 major towns and cities in the UK and the seventh highest rate of furloughed workers.¹⁴

Covid-19 has affected local economies differently. Luton is in the top ten cities and towns for: Claimant count as share of working-age population, August 2020 (at 8.76 per cent)¹⁵

Luton's economy is particularly vulnerable due to high numbers (33 per cent) working in 'at risk' sectors.¹⁶

Luton is currently ranked the 70th most deprived out of 317 local authorities, which places it among the 50 per cent most deprived areas.¹⁷

¹² ibid

¹³ ibid

¹⁴ Luton Council Corporate Plan 2021-2023, Luton 2020-2040, A place to thrive, https://www.luton.gov.uk/Council_government_and_democracy/Lists/LutonDocuments/PDF/Policy%20and%20Performance/LBC-corporate-plan.PDF

¹⁵ Luton Covid-19 Economic Recovery Plan Crisis, Rescue, Recover, Reform 2020 to 2022, Luton 2020-2040, A place to thrive

¹⁶ Luton Covid-19 Economic Recovery Plan Crisis, Rescue, Recover, Reform 2020 to 2022, Luton 2020-2040, A place to thrive

¹⁷ 2019 Indices of Multiple Deprivation Summary (2019)

<https://www.luton.gov.uk/Environment/Lists/LutonDocuments/PDF/Planning/Observatory/2019-indices-of-multiple-deprivation-in-luton.pdf>

The Luton 2020-2040 vision, (the town wide, council vision for Luton) has highlighted addressing poverty as the most important issue in Luton, recognising that Luton suffers from one of the highest poverty rates in the country.¹⁸

COVID-19 has been further exacerbated this; early indications suggest that Luton could be the second most affected town in the country in terms of job losses with around 16,000 jobs identified in sectors that are very vulnerable.¹⁹

As an investment location however, the borough's M1 access, its airport, its supply of modern business park sites and proximity to London but with lower rents are all noted as beneficial for encouraging inward investment and encouraging economic growth in Luton through the increase of higher skilled and higher paid employment opportunities.²⁰

Lack of knowledge based industries in Luton Borough Council

Knowledge-based industries are sectors of the economy where value added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology.

Knowledge based sectors typically include the following occupations:

- High-tech manufacturing (computer, electronics, aerospace).
- Service sector industries, such as education healthcare and software design.
- Business services such as insurance, information and communications.

Firms within this sector tend to grow faster and have greater future potential than other sectors and so are considered an important indicator of an economy's competitiveness and future growth prospects.

Only 18.9 per cent of Luton's businesses were knowledge-based in 2010 – significantly lower than the East of England and national rate of 21.8 per cent and the lowest rate in Bedfordshire.

This suggests the borough is under-represented in these types of businesses, businesses that are more likely to generate future growth.²¹

The need to build economic growth and prosperity and enhance skills and education in Luton is listed as one of five strategic priorities in Luton Investment Framework (LIF) 2016-2020. These priorities were listed as key strategic priorities in order to raise the aspirations of Luton's residents and businesses and ensure the right mix of qualifications and skills for new jobs and to meet Luton employer's needs. The council during this time has prioritised *'business engagement activities with business sectors that have the potential for significant employment growth in the town;'*

This includes the knowledge based related industries of creative arts and media, technology, aerospace and aviation and advanced manufacturing, engineering and automotive.

This was also supported by 40 million, 6,000 sqm building for science, STEM building for at the University of Bedfordshire to support learning within science, technology, engineering and mathematics, teaching and research.²¹

The Luton 2020-2040 vision further builds on the priorities of the LIF to ensure that one of the key

¹⁸ Luton 2020-2040, A place to thrive

https://www.luton.gov.uk/Council_government_and_democracy/Lists/LutonDocuments/PDF/Luton2020-2040/Luton-2040-strategic-vision.pdf

¹⁹ ibid

²¹ ibid

²¹ <https://www.luton.gov.uk/Business/Lists/LutonDocuments/PDF/LIF/lif-brochure.pdf>

priorities between 2020 and 2025 in direct response to COVID-19 was to secure a 'strong economic recovery' which seeks to protect jobs, incomes and business. A key target outcome in achieving this is to upskill the local workforce and by diversifying into knowledge based sectors such as digital, creative and aviation industries.²³ These sectors are commonly supported by offices.

The rise of homeworking and the impact on the demand for office space

It is noted that agile working and the rise of home working has increased since the ELR 2013 and even more since the pandemic where during the lockdown in 2020-2021, workers were mandated to stay at home by the government. Research from the Chartered Institute of Personal and Development (CIPD) following a review of the increase of homeworking during the pandemic concluded that, although benefits were noted from the rise of homeworking which included a better work–life balance for employees, most notably the reduction in commuting time and cost for employees, having fewer distractions to complete tasks and better collaboration that has been facilitated by the technology, it was also noted that many employers acknowledge that some employees are keen to return to a central 'workplace', due in part to poor homeworking environments and limited social interaction.

In addition, some employers highlighted other challenges with homeworking, such as reduced mental wellbeing, staff collaboration and line management – which they say would be overcome if workers were in the office at 'least some of the time.'²⁴

These findings are indicative of a potential sharp rise in partial homeworking (hybrid working) where workers are likely to attend a 'workspace' one to three times a week together with working from home rather than a complete shift to full-time homeworking in future.²⁵

This evidence suggests that the rise of homeworking does not make the need for office space obsolete, as a central workspace is still valued for those that cannot work from home as well as to assist hybrid working (both working from home and within a workspace) which is expected to rise. McKinsey and Company also noted through research that some companies are planning to shift to flexible workspaces, a move that will reduce the overall quantum of space they need and bring fewer workers into offices each day.

A survey of 278 executives by McKinsey in August 2020 found that on average, they planned to reduce office space by 30 per cent.²⁶ Surveys undertaken by PWC in their 'Future of the Office Survey' also provided similar results which found that 77 per cent of UK organisations plan to reconfigure their existing office to support the functioning of hybrid working with better facilities for collaboration, social distancing, or to other Class E uses such as cafes and canteens, doctors, dentists, gyms on site to improve employee experience and 50 per cent think they will reduce the size of their office portfolio providing shorter more flexible leases or by working with flexible space providers.²⁷

This further indicates that although there may be a shift in how office spaces are used in requiring them to be more flexible to support hybrid working, the need for office space is still required to support new ways of working following the pandemic.

²³ <https://www.luton.gov.uk/Business/Lists/LutonDocuments/PDF/LIF/lif-brochure.pdf>

²⁴ CIPD, (2020) Embedding new ways of working, Implications for the post-pandemic workplace, https://www.cipd.co.uk/Images/embedding-new-ways-working-post-pandemic_tcm18-83907.pdf

²⁵ CIPD, (2020) Planning for hybrid working

²⁶ McKinsey and Company (2020) <https://www.mckinsey.com/featured-insights/future-of-work/the-future-of-work-after-covid-19>

²⁷ Pricewaterhouse and Coopers(PWC) (2021) Research, contrasting forces shaping office plans, make the case for hybrid working, <https://www.pwc.co.uk/issues/transformation/case-studies-and-insights/the-importance-of-hybrid.html>

The quality of provision at Butterfield Business and Technology Park and Capability Green Business Park

In 2015, the ELR 2013 was updated via a Luton Employment Land Review, 2015 Employment Site Assessments. This included a re-evaluation of the status of employment land within Luton. The ELR 2015 Employment Sites Assessment evaluated 86 sites in Luton, including Butterfield Business and Technology Park and Capability Green Business Park, primarily on the five key indicators below;

- Strategic road access and local road access;
- Accessibility to public transport and services;
- Adjoining uses that might constrain employment uses;
- Site size, characteristics and potential development constraints; and
- Attractiveness to the market, including vacancy and market activity.

The site assessment then proceeded to rank these sites in terms of suitability for continuing office and industrial employment purposes using a RAG (Red, Amber, Green classification) providing an indicative assessment of the relative quality of the sites at the time. Sites that scored 20 or more out of a possible 30 were classed as “green” or very good sites, sites that score between 15 and 19 were classified as “amber” or good or average quality sites, and those that score less than 14 are identified as “red” or lower quality sites.²⁸

Although it is noted that the assessment was indicative at the time and not conclusive and does not necessarily consider factors, such as the growing trend of flexible working and working remotely, both Butterfield Green Technology Park and Capability Green Park scored highly as green sites achieving 22/30 and 25/30 respectively. Both sites were deemed as ‘premium sites’ for commercial uses and key employment sites for the borough.

Butterfield Green Technology Park

Butterfield Green Technology Park, located in the north-east edge of Luton, is listed as Key Employment Area Category A as well as a strategic site allocation. The site is located out of the town centre providing commercial space.

The site is 37.3 hectares and is listed as policy LLP7 in the adopted plan. The site is allocated primarily for office use with other supporting commercial, industrial and storage uses. These include high quality business uses, storage and distribution uses (however only in specified locations within the site designation which is limited in size) and small scale retail, eateries and leisure uses which serve and support the development and the overall success of Butterfield Green as a modern Technology Park. Whilst there is undeveloped land earmarked for employment development, there are also existing offices (E Use Classes) on site. The site is also subject to a masterplan to ensure coordinated and approach to design and function of upcoming developments on the site.

Planning applications have been coming forward at this site for commercial uses including B2 and B8 uses following the article 4 direction being placed on this site.

²⁸ Luton Borough Council, Luton Employment Land Review, 2015 Employment Site Assessments (2015)
<https://www.luton.gov.uk/Environment/Lists/LutonDocuments/PDF/Local%20Plan/Growing%20Lutons%20economy/ECON%20003a.pdf>

A list of these is below:

1. 17/02069/FUL Land at Butterfield Technology Park Redevelopment of the site to create commercial units within flexible use (B1(c), B2 and B8), parking, landscaping, access, lighting and other associated works
Decision: Granted - 05.06.2018
7,647sqm of employment space provided.
2. 20/01083/FUL Land At Butterfield Technology Park
Erection of commercial units comprising 7,617sq.m (GIA) of flexible Use Class E (light industry), B2 and B8 floorspace, together with parking, landscaping, access, lighting and other associated works.
Decision: Granted
S106 secured for local labour, and employment skills and training strategy also secured

There is no residential use on site. Introducing residential uses will not only harmfully alter the quality of the site in operating as a business park offering purely commercial and commercially related uses, it will also result in the reduction of jobs in knowledge based sectors, a sector which is currently much needed and underrepresented in Luton.

Butterfield Park contains affordable small, medium and large business units for office or studio/workshop use. Butterfield Technology Park contains high value, knowledge based businesses such as Hitech Instruments, as well as a University of Bedfordshire Campus, an Enterprise Hub, the Basepoint Innovation Centre and a hotel. The site is also occupied by Royal Bank of Scotland, Vauxhall, TUI and EasyJet .It has very high quality offices/R&D premises and environment, and combined with the university campus and innovation centre, was noted in the ELR 2013, as providing:

'The only credible location with available land within Luton to develop attract knowledge based activities, including advanced manufacturing, which is key in helping to diversify the town's economy.'

Butterfield Park therefore meets a key need in providing additional office provision which can cater for a variety of business sizes, in and outside Luton being accessible from the M1 as well as providing spaces which specifically are conducive with supporting the delivery of knowledge based services. This potential will be undermined if the existing high quality office uses within the park are lost in a piecemeal nature to residential uses.

Capability Green Business Park

Capability Green Business Park, is located in the southern edge of Luton in close proximity to Luton airport. The site is 27.23 hectares and includes very modern, good quality office space surrounded by pleasant landscaping supported by on site car parking provision, located out of the town centre. The site is also a key category employment site which also plays an important sub regional role in providing high quality office space.

The site was noted in the ELR 2013 as being as being *'largely full'* indicating vacancy rate at this site was low and was clearly attractive to occupiers having a low vacancy rate. The site contains over 100 businesses including a range of national and overseas based firms, many in knowledge based and technological sectors.

Examples include AstraZeneca, MTL Instruments, GKN, Siemens, Ernst & Young, Selex Galileo, Allianz Insurance, and Barclays Bank as well as other E class uses such as Fitness First and David Lloyd Sports Clubs. Like Butterfield Business and Technology Park, Capability Green meets a key need in providing additional office provision which can cater for a variety of business

sizes, in and outside Luton providing commercial floor spaces which specifically are conducive with supporting the delivery of knowledge based services.

The most recent planning application granted at this site is listed below;

- 20/00619/FUL 475 Capability Green
Erection of ground floor front extension, improvements to the office building including external facade enhancements, external hard and soft landscaping, 3 electric vehicle charging points, construction of external bike storage and shower block after removal of existing bike rack and smoking shelter.
Decision: Granted - 05.08.2020, 157sqm of additional office space

Policy context

National planning context

The Government's objective in setting these permitted development rights is primarily to remove barriers to housing development. On 01 July 2021, the then Secretary of State for the Ministry of Housing Robert Jenrick, Communities and Local Government stated;

'As part of our on-going measures to improve the planning system, increase housing supply on brownfield land, stimulate investment in urban areas and sustain jobs, we have in recent years introduced new permitted development rights which allow the change of use to residential without the need for a full planning application.'

Local policy context: Luton Local Plan 2011-2031

Luton Local Plan, adopted by the Council on 07 November 2017, sets out the vision and approach for the sustainable growth of Luton up to 2031.

Paragraph 5.2 of section 5 'Grown Luton's Economy' states the need to plan for 18,000 jobs, in line with the EEFM forecasted growth of jobs over the plan period. Of these 8,000 are B Class jobs and 10,000 non B Class jobs. Changes to Use Classes Order have since amalgamated Use Class A1 (shops), A2 (financial and professional services), A3 (Restaurants and cafes), B1(a) Offices – other than in A2, B1(b) Research and development of products or processes, B1(c) industrial processes, D1 Doctors, clinics and health centres (except where linked to the residence of the practitioner) and crèche, day nurseries or day centres, and D2 gymnasiums and Indoor Sports and Recreation (except where motor sports or firearms are used) all into Use Class E. The effect of this is to put office floor space in general further at risk to be lost to other E Class uses as changes of uses within the same use class do not require planning permission.

Paragraph 5.3 also notes that strategic allocations such as Butterfield Business and Technology Park 'need to make provision for the generation of jobs (including the business, office and aviation sectors) to provide choice and flexibility to the market. This will also maintain and strengthen Luton's important contribution to the sub regional economy for skilled workers from neighbouring areas as well as offering job opportunities for Luton residents'

This further emphasises the priority for strategic allocations to retain office space to support knowledge based industries.

Paragraph 5.5 states 'There is a simultaneous need to protect existing key employment areas (termed Category A) that have been assessed as performing well' Category A sites are noted as the sites that offer the best quality employment opportunity. As noted above the ELR Luton Employment Land Review, 2015 Employment Site Assessments (2015) notes both Butterfield Business and Technology Park and Capability Green Business Park as category A employment

sites as providing some of the highest quality of office space in the borough.

LLP14A states:

'The existing employment areas (Category A) ...shall be protected B1, B2 or B8 uses. Once developed, strategic allocations containing B1, B2 or B8 are safeguarded as Category A employment areas. Changes of use or redevelopment within the employment areas and sites that would result in a loss of floor space for economic development uses will be resisted.'²⁹

Further to this Policy LLP15 B states that:

'Planning permission for residential development will also be granted on sites not allocated for housing provided that it would not lead to a loss of other uses for which there is recognised local need''

Paragraph 5.9 states Butterfield Green Technology Park will provide *'important opportunities in delivering a long term diversification and restructuring of Luton's economy, addressing under representation in higher technology sectors'*

As noted earlier, the strategic importance of Butterfield Park as an employment site is evidenced by its categorisation as not only category A employment site but a strategic employment allocation in LLP7 Butterfield Green Technology Park in the Luton Local Plan.

The policy is clear that other than compatibly related office uses such as those for general industrial, storage and distribution, retail, eateries of leisure uses such as gyms, the site should be retained to provide office uses. This was also supported by the Inspector in his final report following the examination in public for the now adopted Luton Local Plan where the Inspector was *'not convinced that any significant areas of the strategic allocations at Butterfield Green, Land South of Stockwood Park or Century Park should be released for housing at this time given their location, circumstances and the need to make adequate provision for suitable employment land'*.³⁰

This is also evidenced by the requirement in LLP7 to provide an 'indicative masterplan' to demonstrate accordance with the objectives outlined in the policy. The policy is geared towards increasing commercial floor space on site in accordance with existing uses and design whilst retaining the quality existing offices.

Policy LLP25 High Quality and Design, seeks to ensure the quality of development and Policy LLP37 Climate Change, carbon and waste reduction and sustainable energy, requires energy statements and waste audits to be included within planning application to ensure that these matters are appropriately considered to enable the LPA to ensure that development contributes to mitigating against climate change through energy efficiency (including renewable energy) and to minimise waste generation.

Clearly the intention of Local Plan policy is to have in place appropriate controls on the location and scale of housing development and of redevelopment of employment uses. The permitted development rights proposed in Class MA do not enable the level of control required at Butterfield Business and Technology Park and Capability Green Business Park to ensure the deliverability of

²⁹ References to B Class uses refer to B1- Business; B1(a) Offices - Other than a use within Class A2, B1(b) Research and development of products or processes, B1(c) Industrial processes, **B2 General industrial, B8 Storage or distribution. These references have been superseded by the legislative changes that took place on August 01 2020. With the exception of Use Class B2 and B8 all other B classes fall within Use Class E, Commercial Business and Service Uses. B2 and B8 remain unchanged.**

³⁰ Luton Local Plan Inspectors Report 2017

<http://www.luton.gov.uk/Environment/Lists/LutonDocuments/PDF/Local%20Plan/Luton-Local-Plan-final-Inspectors-report.pdf>

the adopted Local Plan objectives that set out to deliver growth and sustainable development. When viewed from a planning policy perspective alone, all of this points to the requirement to incorporate greater planning control regarding the conversion from commercial, business and services uses to residential under Permitted Development Rights Class MA.

Permitted development applications in Luton - office to residential

Luton has experienced numerous examples of offices being converted to residential uses (C3) following changes to the General Permitted Development Order that made such conversions “permitted development”. Since 30 May 2013 (when office to residential was first introduced into the General Permitted Development Order via Class J) there have been 136 applications issued (either confirming prior approval is not required or that development is permitted) for office to residential conversions in Luton.

Luton’s monitoring report 2017/2018 published in May 2019 identifies that through prior approval/permitted development applications across the borough, a net gain of 257 dwellings were created in 2017/18. 210 of these were 1-bed units, 44 were 2-bed units and 3 were 3-bed units.³¹

A further 314 dwellings were under construction, while extant permissions for a further 293 had yet to commence. 537 of these are for 1-bed units, 65 are 2-bed homes and 3 are 3-bed homes and 2 are 4-bed homes.

The monitoring report also identified 11,023sq.m of office space was being lost through the permitted development to residential uses between 2017/18.

A significant amount of these residential units being created via permitted development were noted as being 1-bed homes that do not meet identified needs.

A higher proportion of dwellings rather than flats are required, with a priority need for 3 bedroom dwellings as reflected in section 6 Housing of the adopted local plan.

In light of this, it is clear that there remains the risk that other offices could be converted to residential under the permitted development regime. The Council seeks to continue to retain tighter planning control at these two key employment sites on the basis that they play a crucial sub regional role in accommodating economic growth and increasing employment opportunities in accordance with the adopted local plan.

Article 4 directions at these proposed locations also ensure that good quality housing are delivered in appropriate locations which are planned for residential use, supported by social infrastructure for the residents that will occupy them.

³¹ <https://www.luton.gov.uk/Environment/Lists/LutonDocuments/PDF/Local%20Plan/Infrastructure%20and%20delivery/del-009.pdf>