

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	8 th November 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E2994
TITLE:	Adoption of Revised Supplementary Planning Document on Houses in Multiple Occupation in Bath	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix A – Revised SPD on Houses in Multiple Occupation Appendix B – HMO 10% concentration area Appendix C- Consultation Report		

1 THE ISSUE

- 1.1 Bath has seen a significant increase in and concentrations of Houses in Multiple Occupation (HMOs) and private rented property over the last 10-15 years, with HMOs now being common residences for students, young people and others. The original SPD, providing the planning framework to assess planning applications for a change of use from dwelling house (use class C3) to HMOs (use class C4), was adopted in July 2013. Following a review of the performance of the original SPD including the evidence update and targeted engagement, revisions to the SPD are proposed.

2 RECOMMENDATION

The Cabinet agree that:

- 2.1 The Houses in Multiple Occupation in Bath: Supplementary Planning Document (Appendix A) is adopted to supplement the Bath & North East Somerset Placemaking Plan, especially Policy H2; and
- 2.2 Responsibility is delegated to the Divisional Director for Development, in conjunction with the Cabinet Member for Development and Neighbourhood, to make final graphic and minor textual amendments prior to adoption of the Houses in Multiple Occupation in Bath Supplementary Planning Document.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The review of the SPD is expected to cost £2000 during 2017/18 which will be funded by the LDF Budget. Introduction of the Article 4 Direction was accompanied by financial support of an additional post to cover the extra workload which is not covered by planning fees.
- 3.2 The revised SPD with a sandwich policy and the threshold test (lower to 10% from 25%) may lead to more appeals, however the costs and resources need to be met by the existing budget. The current Government consultation on New Homes Bonus is considering reducing New Homes Bonus for successful appeals from next year. However, the appeal does have to be successful for there to be any impact.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The National Planning Policy Framework (NPPF) sets out the Government's planning policy approach to achieving sustainable development. While it does not make specific reference to student accommodation, key policy principles set out in the document are relevant. In particular, paragraph 50 of the NPPF states that local planning authorities should 'plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community'.
- 4.2 The Planning Practice Guidance provides more explicit reference to accommodating the housing needs of students. In particular, Paragraph: 021 Reference ID: 2a-021-20160401 suggests that authorities should:
- Plan for sufficient student accommodation, of different types (e.g. communal halls of residence, self-contained dwellings, on- and off-campus).
 - Consider how the provision of more dedicated student accommodation may impact on the wider private rented sector.
 - Engage with universities and other higher educational establishments to better understand the requirements of their students.
- 4.3 Paragraph: 038, Reference ID: 3-038-20140306 states that student housing can be counted towards the housing requirement 'based on the amount of accommodation it releases in the housing market'.
- 4.4 Houses in Multiple Occupation (HMOs) can be defined as houses with three or more people from two or more households living together in a residence. HMOs are an important part of the local housing market, particularly within Bath providing affordable accommodation for students, professionals and migrant workers among others.
- 4.5 In light of concerns about the high concentrations of HMOs on the social balance and housing mix of parts of the City, the Council implemented an Article 4 Direction for the City which withdrew the Permitted Development Right to convert a dwelling house (Use Class C3) to a HMO (Use Classes C4 and Sui Generis) within the City of Bath. The Article 4 covers small HMOs because large HMOs already require planning permission. The Council also adopted the HMO SPD in July 2013 to provide the policy framework to assess planning applications now

required by the Article 4 Direction. The aim of the SPD is to avoid further high concentrations of HMOs developing in the City.

The current SPD approach

4.6 Applications for the change of use from C3 dwellings to C4 or sui generis will not be permitted where;

- Stage 1 Test: The application property is within or less than 50 metres from a Census Output Area in which HMO properties represent more than 25% of households; and
- Stage 2 Test: HMO properties represent more than 25% of households within a 100 meter radius of the application property.

HMO changes from July 2013

4.7 Since the introduction of the Article 4 Direction to March 2017, there have been 168 planning applications for change of use to HMOs. 157 applications have been granted planning permission and 11 of the applications have been refused. Five of the eight refused applications were refused directly because they were contrary to the SPD.

4.8 It is worth noting that there is anecdotal evidence that prospective HMO landlords are deterred from pursuing a HMO development in areas which would fail the threshold test.

4.9 Monitoring shows that applications for HMOs are dispersed across the city, particularly to the south of the city, the city centre and along London Road to the East.

4.10 In principle, SPDs should not be subject to the Strategic Environmental Assessment Directive or require a Sustainability Appraisal because they should not introduce new policies/proposals or modify planning documents which have already been subject to sustainability appraisal. The Placemaking Plan Policy H2 (the parent policy for the SPD) was subject to the SA/SEA, but it is good practice to conduct a screening exercise to determine the extent to which the policy has environmental effects. The screening was undertaken as part of the SPD review. Overall, it is considered that the HMO SPD will not give rise to significant environmental effects. It is therefore considered that a Strategic Environmental Assessment is not required for the proposed Houses in Multiple Occupation Supplementary Planning Document. The screening report is included as a background paper.

4.11 An Equality Impact Assessment (EqIA) has been completed for the Draft SPD. The report is included as a background paper below. The main conclusions of the assessments can be summarised as follows:

- Potential negative impacts of a more dispersed set of students or young professionals over a larger area could lead to feelings of isolation. However, there are still areas with good public transport links available to facilitate further HMOs which give opportunities for these people to live in the areas with good accessibility.

- May push up rental prices in some areas (particularly Oldfield Park, Westmoreland and Widcombe area) often occupied by young people including young professionals and students. Potential changes will be monitored as set out within the SPD.
- No impact/potential impact has been identified for people of different religious/faith groups.

5 THE REPORT

Background

- 5.1 In light of concerns about the high concentrations of HMOs on the social balance and housing mix of parts of the city the Council implemented an Article 4 Direction for the city which removed permitted development rights to convert residential properties to small HMOs. The conversion of large HMOs also requires a planning permission. The HMO SPD was adopted in July 2013 providing the planning framework to assess planning applications for a change of use from dwelling house (use class C3) to HMOs (use class C4 and Sui Generis).
- 5.2 The SPD has been operating for over four years and the Council appointed ARUP to undertake a review of the existing HMO SPD to assess the performance of the SPD and investigate various policy options to address the existing challenges of HMOs using case studies of policies implemented in other local authorities. As part of the review, a stakeholder workshop was arranged. Full report can be accessed from;
http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_and_options_analysis_april_2017.pdf
- 5.3 The Arup report suggested various options with pros and cons. Following the Arup report, the Council undertook an additional targeted engagement with stakeholders to seek views on potential options in April. The informal consultation paper with specific questions can be accessed from;
http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_informal_consultation_paper_april_2017.pdf

Proposed changes to the SPD

- 5.4 In light of the results of the public consultation, the updated evidence and the need for a precautionary approach taking into account the available data and to create awareness of the impact of high concentrations of HMOs, the Council is proposing amendments to the SPD as below. The key changes are to introduce a sandwich policy as the Criteria 1 test, then apply the threshold test (lower to 10% from 25%) as the Criteria 2 test.
- 5.5 The area with 10% HMO concentration is shown in Appendix B. The area covers largely the wards of Westmoreland, Oldfield and Widcombe and a part of Walcot. Even though the 10% threshold seems low, it is considered that this cautious threshold still allows further HMOs in the wider area providing a variety of housing mix while encouraging a mixed and balanced community in Bath.

Proposed SPD approach

Applications for the change of use from C3 Dwellings to C4 or Sui Generis (Houses in Multiple Occupation) will not be permitted where;

Criteria 1:

It would result in any residential property (C3 use) being 'sandwiched' between two HMOs; or

Criteria 2:

Stage 1 The application property is within or less than 50 meters from a Census Output Area in which HMO properties represent more than 10% of Households; and;

Stage 2 HMO properties represent more than 10% of households within a 100 meter radius of the application property.

- 5.6 It is worth noting that the HMO percentage update is now taking place quarterly rather than twice a year as stated in the original SPD to allow the determination of planning applications to be more accurate reflecting HMO changes.

6 CONSULTATION COMMENTS

- 6.1 A total of 341 comments were received during the consultation period on the Draft SPD, respondents had the option of submitting representations either online via the Council website, e-mail or post. The key summary issues raised and recommended responses are included in the Consultation Report (Appendix C). The full comments received are included in the Consultation Statement Appendix 2-4 which are accessible as background evidence.

Data issues

- 6.2 Data: Not all non-licensable HMOs outside the additional licensing area (Oldfield, Westmoreland, Widcombe (north) and areas of Bathwick, Lyncombe, Southdown and Twerton) are represented in the existing data, resulting in a potential underestimated figure of total HMOs within Bath. Ensuring all 'hidden' HMOs are identified is a challenge for future data collection. Some HMOs have also reverted to C3 residential but are still registered as HMOs. The Council is continually working to improve the evidence base.

Additional Licensing

- 6.11 The additional licensing scheme primarily covers Westmoreland, Widcombe and Oldfield Wards. All HMOs in the scheme have been inspected and any required improvement measures have been progressed with the licence holders. The scheme was considered to have resulted in additional protection of over 4,000 of Bath's tenants. There are approx. 460 mandatory licensed HMOs and 1,020 additional licensed properties in the District.

7 RATIONALE

- 7.1 The SPD has been in operation for four years and is scheduled in the Local Development Scheme for review this year. The purpose of the HMO SPD is to avoid high concentrations of HMOs in any one part of the City in the interests of encouraging a balanced housing mix across the City.

- 7.2 The recommended revision to the SPD addresses concerns raised through the Review and is considered to be the most effective approach to continue to achieve the objective of the SPD.

8 OTHER OPTIONS CONSIDERED

- 8.1 Applying a threshold for Purpose Built Student Accommodation (PBSA) and setting design criteria for PBSA were considered but not taken forward through this SPD review. The HMO SPD supplements the Placemaking Plan Policy H2 which provides the policy guidance on a change of use from Residential (use class C3) to HMOs. Therefore the SPD cannot expand the remit given by the parent policy.
- 8.2 It is also considered that PBSA requires more strategic planning informed by better understanding of the universities' aspirations and requirements. Therefore it is more appropriately considered through the new Local Plan. Preparation of the new Local Plan has recently commenced.

9 CONSULTATION

- 9.1 Ward Councillor; Cabinet members; Parish Council; Town Council; Staff; Other B&NES Services; Local Residents; Section 151 Finance Officer; Monitoring Officer.

10 RISK MANAGEMENT

- 10.1 Data management: Not all non-licensable HMOs outside the additional licensing area are represented in the existing data, resulting in a potential underestimated figure of total HMOs within Bath. Ensuring all 'hidden' HMOs are identified is a challenge for future data collection. Some HMOs have also reverted to C3 residential but are still registered as HMOs.
- 10.2 The House Condition Survey (Housing Census modelling study) has been commissioned by Housing Services and the data is due later in the year. Potential changes in the Mandatory Licensing scheme consulted upon in 2015 are also expected within the next 12 months and these will help improve the data sets. However, detailed collection and verification of the number and location of HMOs would be likely to be a costly and time-consuming exercise, requiring extensive street by street survey. However the limitations of the data should be noted and have been taken into account in the analysis and recommendation.
- 10.3 It is considered that the above recommendations comply with the Human Rights Act 1998.

Contact person	<i>Simon De Beer- Planning Policy & Environment Manager</i>
Background papers	<i>HMO SPD Consultation Comments received (Consultation Report Appendix 1, 2, 3, 4 and 5)</i> <i>Equalities Impact Assessment of Draft SPD</i> <i>Draft Strategic Environmental Assessment Screening Report of Draft SPD</i>

	<p><i>Arup Report</i></p> <p>http://www.bathnes.gov.uk/sites/default/files/sitedocuments/Planning-and-Building-Control/Planning-Policy/HMOs/hmo_spd_review_and_options_analysis_april_2017.pdf</p> <p><i>Placemaking Plan “Student Numbers and Accommodation Requirements in Bath (May 2016)</i></p> <p><i>B&NES Core Strategy 2014</i></p> <p><i>B&NES Placemaking Plan 2017</i></p>
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