

# Planning, Housing and Economic Development Policy Development and Scrutiny Panel

**Date: Tuesday, 4th July, 2017**

**Time: 2.00 pm**

**Venue: Kaposvar Room - Guildhall, Bath**

**Councillors:** Councillor Will Sandry

Councillor Barry Macrae

Councillor Rob Appleyard

Councillor Colin Blackburn

Councillor Lisa O'Brien

Councillor Fiona Darey

Councillor David Veale

Chief Executive and other appropriate officer  
Press and Public



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## NOTES:

1. **Inspection of Papers:** Papers are available for inspection as follows:

Council's website: <https://democracy.bathnes.gov.uk/ieDocHome.aspx?bcr=1>

Paper copies are available for inspection at the **Public Access points:-** Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above.

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**Planning, Housing and Economic Development Policy Development and Scrutiny Panel -  
Tuesday, 4th July, 2017**

**at 2.00 pm in the Kaposvar Room - Guildhall, Bath**

**A G E N D A**

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**,  
(as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES - 2ND MAY 2017 (Pages 7 - 14)

8. CABINET MEMBER UPDATE

The Cabinet Member(s) will update the Panel on any relevant issues. Panel members may ask questions on the update(s) provided.

9. HMO SUPPLEMENTARY PLANNING DOCUMENT (Pages 15 - 98)

The Panel is asked to consider and comment on the options for the review of the Houses in Multiple Occupation (HMO) Supplementary Planning Document.

10. THE IMPLICATIONS OF LOSSES OF OFFICE TO RESIDENTIAL IN BATH (Pages 99 - 106)

Officers have been asked to explore the benefits and risks of making an Article 4 Direction to remove the permitted development rights to make a change of use from office to residential in Bath. The purpose of this paper is to explain the evidence, enabling a discussion of the issues and next steps.

11. HOUSING & PLANNING ACT (Pages 107 - 130)

The Government is proposing changes to the Housing and Planning legislation. A consultation was undertaken in the Spring of 2017. This report sets out for the Panel the key issues and the responses provided by B&NES as part of a West of England response.

12. PANEL WORKPLAN (Pages 131 - 134)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Mark Durnford who can be contacted on 01225 394458.



**BATH AND NORTH EAST SOMERSET**

**PLANNING, HOUSING AND ECONOMIC DEVELOPMENT POLICY DEVELOPMENT  
AND SCRUTINY PANEL**

Tuesday, 2nd May, 2017

**Present:-** Councillors Barry Macrae (Chairman), Colin Blackburn, Christopher Pearce (in place of Lisa O'Brien), Fiona Darey, Richard Samuel (in place of Cherry Beath) and David Veale

**Also in attendance:** Tony Crouch (World Heritage Manager) and Benjamin Woods (Group Manager - Economy and Culture)

**Cabinet Member for Economic Development:** Councillor Patrick Anketell-Jones

**Cabinet Member for Homes & Planning:** Councillor Liz Richardson

**58 WELCOME AND INTRODUCTIONS**

In the absence of Councillor Will Sandry (Chairman), Councillor Barry Macrae (Vice-Chair) acted as Chairman and welcomed everyone to the meeting.

**59 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

**60 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Councillors Will Sandry, Lisa O'Brien and Cherry Beath had sent their apologies to the Panel. Councillors Christopher Pearce and Richard Samuel were present as substitutes for Lisa O'Brien and Cherry Beath for the duration of the meeting.

**61 DECLARATIONS OF INTEREST**

There were none.

**62 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

**63 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS,  
STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF  
THIS MEETING**

There were none.

## 64 MINUTES - 7TH MARCH 2017

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

## 65 CABINET MEMBER UPDATE

**The Cabinet Member for Economic Development**, Councillor Patrick Anketell-Jones addressed the Panel, a summary is set out below.

Arts Funding: He said that he had had a good meeting recently with the Bath Cultural Forum and that they understood that the Council could not supply funding in the form of direct grants, but still have intentions to fund arts activity.

He added that none of the 90 members of the Forum pay a subscription fee and that at their meeting he had suggested that they consider such a proposal.

Councillor Colin Blackburn asked how the Forum had responded to that proposal.

Councillor Anketell-Jones said it had been quite positive.

Councillor Christopher Pearce asked how were funding requests made and allocated.

Councillor Anketell-Jones explained that applications are made through the Arts Development Team in accordance with the policies set by the administration and added that he wished to see this area of work promoted across B&NES.

The Chairman asked if grant applications were directly approved by the Cabinet Member.

Councillor Anketell-Jones replied that they were not.

Bath Quays South: The Cabinet Member for Economic Development explained to the Panel that BMT had made a strategic decision not to proceed with a substantial base within Bath. He added that considerable interest had been shown in the site since their decision for either a sole tenant or multiple ones.

The Chairman asked if the Council had been cited as a reason for BMT withdrawing from the project.

Councillor Anketell-Jones reassured him that they were not.

Councillor Colin Blackburn asked if in any discussion BMT had commented on their long term approach for the City.

Councillor Anketell-Jones confirmed that they intend to remain and keep a presence in Bath.

Councillor Barry Macrae asked what the timescale was for the project.

Councillor Anketell-Jones replied that planning consent is in place and that preparation / ground work could commence this month.

York Street: The Cabinet Member for Economic Development informed the Panel that the road support beneath York Street was eroding and that a survey of the surrounding area was likely to be required. He said that depending on the results of the survey it may cause a delay to the Archway project. He stated that he would update the Panel as soon as he had any further information.

Destination Management: The Cabinet Member for Economic Development said that this work should look to promote all areas of B&NES. He explained that he would like to see Welcoming Ambassadors in place to meet visitors to the area. He added that positive visitor experiences were important to the engagement of other visitors.

Employment Space: The Cabinet Member for Economic Development said that Bath was running out of industrial employment space and that if the current Pickfords site was lost to student accommodation it could put further pressure on the city.

The Chairman said that he hoped that the Council would defend the non-loss of commercial space and asked that the Cabinet Member be as firm as he can in any future discussions.

Councillor Colin Blackburn asked if any proactive work was taking place with regard to small commercial units as there were so few available.

Councillor Anketell-Jones replied that this was difficult to progress within Bath, but might be more achievable within Keynsham. He said that he would come back with some information at a future meeting.

**The Cabinet Member for Homes & Planning**, Councillor Liz Richardson addressed the Panel, a summary is set out below.

Placemaking Plan: She stated that the Council was still awaiting the Inspector's report and that this meant that it had now been rescheduled for debate at the Council meeting in July.

Planning Fees: She said there was a possibility that the Government may not be ready to implement the planned increase in fees from July.

The Chairman asked if the delay would have any budget implications.

Councillor Richardson reassured that it would not.

Housing Services: She wished to thank the officers involved in hosting a recent Government Women's Equalities Group and that the group had been impressed with our work.

Temporary Accommodation: She informed the Panel in Q4 of 2016/17 there had been a slight increase in the number of households that had been placed in temporary accommodation and that the current figure was 32.

Houses in Multiple Occupation: She explained that the Council is currently reviewing the Houses in Multiple Occupation (HMO) Supplementary Planning Document (SPD) and had appointed ARUP Consultants to undertake a review of the existing HMO SPD to investigate various policy options. She added that as part of the Review, the Council would seek the views of the public on various options suggested by the ARUP review report. She asked for comments to be received by 15th May 2017.

Article 4 Directive: She informed the Panel that the Council were in the initial stages of considering whether to implement an Article 4 Directive in respect of changing the use of premises from business to residential.

Councillor Richard Samuel asked if there had been a net change with regard to social housing availability.

Councillor Richardson replied that the stock was increasing.

**The Chairman thanked both of the Cabinet Members on behalf of the Panel for their updates.**

## **66 DRAFT DESTINATION MANAGEMENT PLAN**

The Group Manager for Economy & Culture introduced this item to the Panel. He said that the Council and Bath Tourism Plus Limited (BTP) have now commenced work on an update of the Destination Management Plan (DMP) for B&NES. He added that the update provides an opportunity to broaden the scope of the old plan from tourism to encompass the wider visitor economy.

He said that in addition to BTP, the Council also works closely with Bath Business Improvement District, BID, which was established in 2011, to produce and maintain high quality public realm in the city.

He explained that a Steering Group of key partners and stakeholders in the development and expansion of the visitor economy had been formed who's views and opinions are being taken into account to feed into and inform any developing DMP.

Chris Evans, Director, The Tourism Company said that it was useful to have this opportunity as part of the process to address the Panel. He said that work had begun in February and was scheduled to complete in June / July.

He explained that alongside the Steering Group meetings were also taking place with Sector Groups, including Bath Independent Guest House Association/ Bath Self-catering Association, Cultural Group, Independent Traders Group, Hotel Managers Group and Attractions Group.

He shared some emerging issues with the Panel which included:

- Overall aim/ appropriate level of growth
- Loss of distinctiveness/independent businesses
- Perceived poor value for money
- Promotion of rural hinterland
- Arrival by road (gateways, congestion)

The Chairman said that he had previously been involved in the tourism development of the City and that to have a 'direction of travel' of future aspirations was essential. He said that he welcomed the work being undertaken.

Councillor Colin Blackburn asked what impact has Airbnb had within B&NES.

Chris Evans replied that he believed that the use of Airbnb had escalated within the last two years and that 20% of rooms would have been booked in previous private accommodation. He added that Airbnb could attract Hen / Stag parties to residential areas and that this could have an impact.

Councillor Christopher Pearce asked what the main reasons were for people visiting the area. He suggested that promotion of the Theatre and restaurants be encouraged.

Chris Evans replied that it was the heritage and the setting of the City, the beauty of its architecture, that the retail offer is good and is recognised globally.

The Group Manager for Economy & Culture informed the Panel that the 19th – 21st May would be very busy in the City as the Tour Series arrives in Bath for events on Saturday 20th May and the Party in the City takes place on Friday 19th May to signify the start of The Bath Festival. In addition the iconic Royal Crescent celebrates its 250th anniversary on Sunday 21st May. He said that race spectators will be encouraged to make a weekend of it in Bath, take a walk around the city, take in the heritage, browse the independent and well known high street shops or visit the spa or some of the many cafes, restaurants and bars.

Councillor Richard Samuel said that any issues raised should be evidenced and then time should be taken to form a plan that will address them.

Councillor Fiona Darey asked how businesses are reacting to the increase in Hen / Stag activity.

Chris Evans replied that he was not aware that any hotel had introduced any restrictions. He added that it had been a fairly recent observation and that no extensive evidence had yet been gathered.

The Chairman stated that as Councillors this Panel has a duty to represent the residents and traders who pay taxes and rates alongside acknowledging the positive value of visitors to the area.

Councillor Richard Samuel said that he would like the environmental impact of this work to be taken on board and for it to be mitigated where possible.

The Panel **RESOLVED** to note the work being undertaken on the Destination Management Plan and asked to be kept informed of its progress.

## **67 REPORT FROM THE CHAIR OF THE CITY OF BATH WORLD HERITAGE SITE STEERING GROUP**

The World Heritage Manager introduced this report to the Panel. He explained that the Bath World Heritage Site (WHS) is managed through a well-established steering group with an independent chairperson. He said that the Council acts as the 'chief steward' of the WHS but operates in partnership with other steering group members. He stated that Peter Metcalfe had completed his term of office as chairperson and wished to deliver his end of term report containing key observations from his time in post.

Peter Metcalfe addressed the Panel. He stated that this current WHS Management Plan for 2016-2022 had received unanimous endorsement at the September 2016 Full Council meeting.

He said that the updating of the 2016-2022 Plan had been founded upon UNESCO's 5 C's drivers:

- **Credibility**
- **Conservation**
- **Capacity Building**
- **Communication**
- **Communities**

He added that two public participation events were also held - a review workshop in 2015 and an eight-week public consultation on the final draft plan in May to July 2016.

He explained that three of the UNESCO 'C's' **Credibility, Conservation and Capacity Building**, show that the WHS is in good hands with few examples of derelict or abandoned buildings, well supported by a track record of caring for heritage with management systems in place locally and nationally.

He said that the fourth UNESCO 'C' **Communication** does capture transportation. He explained that the 2008 UNESCO Mission Report, paragraph 5.2, expressed concern at the omission of what it called an 'Integrated Traffic Control Plan'. The Council adopted the 'Getting Around Bath Strategy' in 2014 and it is now factored into the 2016-2022 plan.

The fifth UNESCO 'C' **Communities** – He said that he knew from past experience that the city and hinterland wards that overlook the WHS are richly endowed with people, individuals, voluntary groups or historical societies who take a keen interest in the attributes of the Bath WHS.

He stated that within the life of the current plan that careful attention would be required on the following areas:

- The poor physical condition and use of the public realm in many parts of the WHS.
- An absence of positive ownership of the WHS by businesses, institutions and others in the WHS
- Ward Councillors to identify attributes/groups in their ward contributing to the WHS.
- Through research & education raise public awareness and pride in the WHS.
- Review UNESCO's Sustainable Use criteria and their relevance within the WHS

He said that he had enjoyed the role immensely and thanked the Panel for the vote of confidence in the World Heritage Site Steering Group, the WHS Manager and all who had contributed to the completion of the third WHS Management Plan.

The Chairman on behalf of the Panel thanked him and the World Heritage Manager for the work they have done.

The World Heritage Manager said that sustainability was key to this work area and that the Destination Management Plan would specifically seek to address this.

Councillor Christopher Pearce asked if the implementation of a cable car within the City would affect its status.

The World Heritage Manager replied that only two sites had ever lost their overall status and that they would assess any such plans if they come forward.

The Panel **RESOLVED** to note the report.

## 68 PANEL WORKPLAN

The Panel **RESOLVED** to approve their workplan as printed.

The meeting ended at 4.25 pm

Chair(person) .....

Date Confirmed and Signed .....

Prepared by Democratic Services

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<b>Bath &amp; North East Somerset Council</b>	
MEETING/ DECISION MAKER:	<b>Planning, Housing and Economic Development Policy Development &amp; Scrutiny Panel</b>
MEETING/ DECISION DATE:	<b>4<sup>th</sup> July 2017</b>
TITLE:	<b>Review of the Supplementary Planning Document (SPD) on Houses in Multiple Occupation (HMO)</b>
WARD:	Bath wards
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> Appendix A – 2017 Arup Report Appendix B – Threshold Maps Appendix C –Planning Permissions for HMOs granted/refused between after July 2013	

## **1 THE ISSUE**

- 1.1 Bath has seen a significant increase in 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. Based on the removal of these Permitted Development Rights via an Article 4 Direction, an SPD was adopted in July 2013 to provide the planning framework to assess planning applications for a change of use from Family Homes (use class C3) to HMOs. A review of the SPD is now underway.

## **2 RECOMMENDATION**

- 2.1 The Panel is asked to consider and comment on the options for the review of the Houses in Multiple Occupation (HMO) 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. There will be a similar financial pressure if the options to extend the control are pursued.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 A House in Multiple Occupation (HMO) is, in principle, a house or flat which is occupied by three or more unrelated people who share facilities such as a kitchen and bathroom. HMOs are an important part of the local housing market, particularly within in Bath providing affordable accommodation for students, professionals and migrant workers among others.
- 4.2 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 family homes (Use Class C3) to 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.
- 4.3 The Council also adopted the HMO SPD in July 2013 to provide the policy framework assessing 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.
- 4.4 An Equality Impact Assessment (EqIA) will be undertaken as part of the SPD review.
- 4.5 In principle, SPDs should not be subject to the Strategic Environmental Assessment Directive or require a sustainability appraisal because they do not normally 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 will be undertaken as part of the SPD review. The HMO SPD will not give rise to significant environmental effects.

## **5 THE REPORT**

### **Background**

- 5.1 The SPD has been operating for over three years and the Council is now undertaking a review of the existing HMO SPD to assess its performance and investigate various policy options to address the existing challenges of HMOs. This has included case studies in other local authorities, workshops additional targeted engagement on potential options. The report is attached as Appendix A.

### **The current SPD approach**

- 5.2 Under the SPD at present, 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 metre radius of the application property.

### HMO changes from July 2013

- 5.3 Since the introduction of the Article 4 Direction up to October 2016, there have been 142 planning applications for change of use to HMOs. 134 applications have been granted planning permission and 8 of the applications have been refused. Four of the eight refused applications were refused directly because they were contrary to the SPD.
- 5.4 Anecdotal evidence indicates that prospective HMO landlords are deterred from pursuing a HMO development in areas which would fail the threshold test. The extent of the policy impact may be underestimated by virtue of this 'hidden' effect which it is challenging to capture in data.
- 5.5 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. See Appendix B.

### Student Population Forecasts

- 5.6 The review of the SPD needs to be undertaken within the context of understanding the student population forecasts.

*Table 1 Higher Education Students in Bath Universities 2014/15*

		University of Bath	%	Bath Spa University		Total
Undergraduate (UG)	Full-time	11,180		5,215		16,395
	Part-time	135		90		225
	UK	8,875	78%	4,915	93%	13,790
	Other EU	995	9%	135	3%	1,130
	Non-EU	1,445	13%	255	5%	1,700
	<b>Total UG</b>	<b>11,315</b>		<b>5,305</b>		<b>16,620</b>
Postgraduate (PG)	Full-time	2,130		1,095		3,225
	Part-time	2,130		980		3,110
	UK	2,185	51%	1,705	82%	3,890
	Other EU	445	10%	55	3%	500
	Non-EU	1,625	38%	315	15%	1,940
	<b>Total PG</b>	<b>4,255</b>		<b>2,075</b>		<b>6,330</b>
<b>Total FT Students</b>		<b>13,310</b>		<b>6,310</b>		<b>19,620</b>
<b>Total All Students</b>		<b>15,570</b>		<b>7,380</b>		<b>22,950</b>

- 5.7 The availability of data for university student population allows for potential demand for student HMOs to be calculated in a way that is difficult to do for other HMO residents. The table below shows the breakdown of the student population.
- 5.8 The B&NES report prepared to support the Placemaking Plan "[Student Numbers and Accommodation Requirements in Bath](#) (May 2016)" looks at how the current student population of the two universities might change in the future based on the council's understanding of the university's growth aspirations. The five-year projections are listed in Table 3.

*Table 2 – Five Year Student Population Forecasts (May 2016)*

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
University of Bath	16,419	17,026	17,630	18,090	18,510	19,000
Bath Spa	7,400	8,282	9,094	9,773	10,283	10,742
<b>Total</b>	<b>23,819</b>	<b>25,308</b>	<b>26,697</b>	<b>27,863</b>	<b>28,793</b>	<b>29,742</b>

- 5.9 Using the university growth forecasts in Table 3, an estimation of future HMO demand from students in Bath can be calculated. In summary, it is projected that a further **557 HMOs** are required to meet the student accommodation requirement based on the universities projection unless these requirements are met elsewhere.

*Table 3 –Student Population Forecasts (May 2016)*

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Projected student housing need	16,654	17,673	18,749	19,197	20,073	20,691
Projected bedspaces in PBSA	7,095	7,457	7,818	8,180	8,541	8,903
Student HMO bedspace requirement	9,559	10,216	10,931	11,017	11,532	11,788
<b>Student HMO requirement (4 occupiers per HMO)</b>	2,390	2,554	2,733	2,754	2,883	2,947
<b>Cumulative HMO changes</b>		164	343	364	493	557

### **Options Development and Analysis by Arup**

- 5.10 Various policy options were identified using data on the operation of the existing SPD, case studies of policies implemented in other local authorities, a stakeholder workshop event and input from other stakeholders. Table 4 below sets out the key policy options shortlisted in the Arup Report.
- 5.11 The shortlisted options can be categorised as either threshold policies or additional SPD policies. Of the three threshold policies analysed (Option 1, 2, 3 and 5), only one of these could be taken forward to replace the existing 25% threshold policy of the SPD. Please see Appendix C the threshold maps. Option 4 Sandwich Policy is new and can be applied along or together with the threshold policy. (Sandwich policy: A proposed HMO will be refused if it would result in a non-HMO dwellings being located between two HMOs) The consideration for Purpose Built Student Accommodation (Option 6 and 7)

requires more strategic planning therefore it will be considered through the new Local Plan (review of the Core Strategy & Placemaking Plan).

*Table 4- Options considered and Council's initial response.*

Option	Key benefit	Key risk	The Council's proposed response
<b>No change (maintain the current two stage approach based on 25% HMO threshold)</b>	System already in place. No additional resource required	May receive criticism from residents and other stakeholders who feel the SPD is currently ineffective	Subject to further consideration. See Para 5.12
<b>Option 1 Maintain the current two stage approach with a lower threshold</b> (See Maps Annex A)	Limits HMO concentration	Limit HMO growth in certain areas and potentially reduce affordability	Subject to further consideration. See Para 5.12
<b>Option 2 Apply multiple % thresholds</b> (apply variable thresholds across Bath)	Allows for HMO growth in some areas	Difficult to Justify and communicate variations to stakeholders	Not supported as there is not enough evidence to identify particular areas for higher or lower threshold and this would be a very complex approach.
<b>Option 3 Stage 1 threshold approach</b> (Only apply the existing Stage 1 test assessing against the threshold within the census output area)	Fully prevents further HMOs in threshold-exceeding areas	Limit HMO growth in these areas and potentially reduce affordability	Not supported as it limits HMO growth and allows no flexibility to respond to local circumstances.
<b>Option 4 HMO 'Sandwich' Policy</b> (Introduce an additional criteria. A proposed HMO will be refused if it would result in a non-HMO dwellings being located between two HMOs)	Ensure housing mix	Limit HMO growth and potentially reduce affordability	Subject to further consideration. See Para 5.12
<b>Option 5 Street level thresholds</b> (assess HMO % within 100 meters of street length either side of the application site instead of the current two stage approach)	Responsive to local context	Data requirements, confusing to stakeholders	May allow more HMOs in wards/census output areas with high HMO growth
<b>Option 6 Apply threshold to Purpose Built Student Accommodation (PBSA)</b>	Prevents PBSA in areas of high HMO concentration	Deter PBSA developers, potential under-supply of PBSA.	The consideration for PBSA requires more strategic planning therefore it will be considered through the new Local Plan (review of the Core Strategy & Placemaking Plan).
<b>Option 7 Include design criteria to control PBSA development</b>	Ensures quality of PBSA	Deter PBSA developers, potential under-supply of PBSA.	

### **Additional stakeholder engagement (April/May)**

- 5.12 The Arup report was sent to all stakeholders invited to the workshop along with the specific questions regarding the threshold and introduction of the sandwich policy.

#### **Question 1 Should the threshold be maintained as 25% or be lowered to 20%, 15% or 10%? Why?**

##### **Key summary comments**

- A majority (98%) of consultees recommended that the current threshold needs to be reduced, of which 49% supported to reduce down to 10% threshold.
- Landlords Associations commented that the % threshold should be increased, or no threshold should be applied.
- The rate of student growth should be capped.
- Any change to the threshold is better considered once strategic planning for the consideration of PBSA is complete
- The affordability of homes in Bath is a major problem resulting in younger buyers having to relocate and thus impacting on local communities.
- Local residents are also raised concern that areas have lost their community due to the influx of students living in HMOs (in particular Oldfield park).
- The current 25% threshold has inevitably created increased demand from HMO investors in the borders around the current prohibited zone which is adversely affecting the balance of the community in these areas.
- Lowering the threshold will massively expand the prohibited zone and immediately protect these border areas from artificially high investment levels.
- A number of consultees raised concern about noise, rubbish, parking and untreated gardens by absent landlords, it was felt that these properties bring the attractiveness of an area and community feel down.
- Landlords with a HMO permit should be responsible for not only the upkeep of the house but also ensuring that tenants uphold community standards for rubbish and recycling. Landlords should be fined where this does not happen.
- Many HMO properties are inhabited by students and this results in dwellings remaining empty for months at a time, additionally students spend a few years living in an area and don't contribute to the local community.
- The general consensus is that the city should have reduced threshold as a result this would encourage a much greater spread of HMOs across the city, resulting in less 'studentification' in specific areas, and appropriately balanced and mixed local communities. For the most part residents are more concerned with the number of students in their locality than the number of properties with a HMO license, there seemed to be a misunderstanding that HMOs are entirely made up of students. Many of the problems raised by residents are referring to common problems with student properties.

#### **Question 2 Do you agree to introduce this HMO sandwich policy? Why**

**(A proposed HMO will be refused if it would result in a non-HMO dwellings being located between two HMOs)**

- 28 agreed with the introduction of the sandwich policy.  
Those who agreed with the sandwich policy stated that continuous terrace of HMOs exacerbates negative social situations for residents and can leave residents feeling isolated. It was suggested that if a property has a HMO at

either side then a family would not be interested in purchasing the property and it would only appeal to a landlord. HMO sandwich policy should be introduced in the interests of keeping streets and neighbourhoods more balanced.

- 5 disagreed with the introduction of the sandwich policy. Main reasons against the policy was that it was a knee jerk reaction to the problems associated with student properties. It would be impossible to implement, put neighbour against neighbour, unduly restrictive to HMOs, serve as a barrier and the policy would push HMOs to the outskirts.

**Question 3 Is there a convincing case for any of the other proposed options to be pursued as well or instead of the 2 above?**

- 11 consultees were supportive of applying threshold to Purpose Built Student Accommodation (PBSA)
- Limit PBSA development within areas of current high HMO density. PBSAs in these areas do not decrease the number of existing HMOs, they simply add to the problems already experienced. Many of the issues around community feel from a high proportion of HMO's would still be present from PBSA.
- Some support on including design criteria to control PBSA development
- 2 consultees were supportive of Street level thresholds (assess HMO % within 100 meters of street length either side of the application site instead of the current two stage approach)

### **Additional Licensing**

- 5.13 All of the HMOs identified within the scheme area (primarily Westmoreland, Widcombe and Oldfield Wards) have been inspected and any required improvement measures have been communicated to the 888 applicants for licences. The scheme was considered to have resulted in additional protection of approximately 4,000 of Bath's tenants. We have approx. 450 mandatory licensed and 1,020 additional licensed properties in the District.

### **Data Challenges**

- 5.14 Not all unlicensed HMOs outside the additional licensing area are represented in the data collected, 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 House Condition Survey (Housing Census modelling study) due to be undertaken by Housing in the Summer 2017 and the potential changes in the Mandatory Licensing scheme will help improve the data sets. However, thorough 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 it should be noted.

### **Proposed changes to the SPD**

- 5.15 Taking into account the evidence review and recommendations by Arup, data update, the LDF Steering Group, comments received at the stakeholders' workshop and further engagements with local stakeholders and communities,

the emerging preferred approach is to introduce a sandwich policy lower the threshold to 10% from 25%) as follows;

### **Emerging preferred 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;

Criteria 2:

Stage 1 The application property is within or less than 50 metres 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.

- 5.16 In the meantime, monitoring has already been reviewed and the % 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 RATIONALE**

- 6.1 The SPD has been in operation for 3 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.
- 6.2 The recommended revision to the SPD addresses concerns raised through the Review and is considered to be the most effective approach to achieve the objective of the SPD, therefore it should be published for formal consultation.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 Applying the threshold for the Purpose Built Student Accommodation (PBSA) and setting the design criteria for PBSA were considered but not taken forward through the 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 to the remit given by the parent policy.
- 7.2 It is also considered that PBSA requires more strategic planning with good understanding of the universities' aspirations and requirements therefore it is better considered through the new Local Plan.
- 7.3 Further options/interventions outside the scope of the SPD review are also identified by the Review Report;



- Extend additional licensing to additional wards in B&NES. Currently only applied to the area around Westmoreland, Oldfield and Widcombe. It should be noted that the additional licensing designation concludes in Dec 2019. Housing Services will be reviewing the evidence to determine whether the evidence will support a further designation, including the extent and scope of any designation.
- Extension of the Article 4 Direction across B&NES
- Further exploration of Local Plan policies to mitigate impacts of university growth on the wider city
- Delivery of HMOs through new development through a new Local Plan
- Waste management improvements
- More investment in licensing enforcement
- Expand Resident Parking Zones (RPZs)

## 8 CONSULTATION

- 8.1 Ward Councillor; Cabinet members; Staff; Other B&NES Services; Local Residents; Section 151 Finance Officer; Monitoring Officer. LDF Steering Group
- 8.2 The amended SPD will be subject to a 6-week statutory consultation period in August and September. The results of the consultation will be considered before the SPD is adopted in September / October 2017

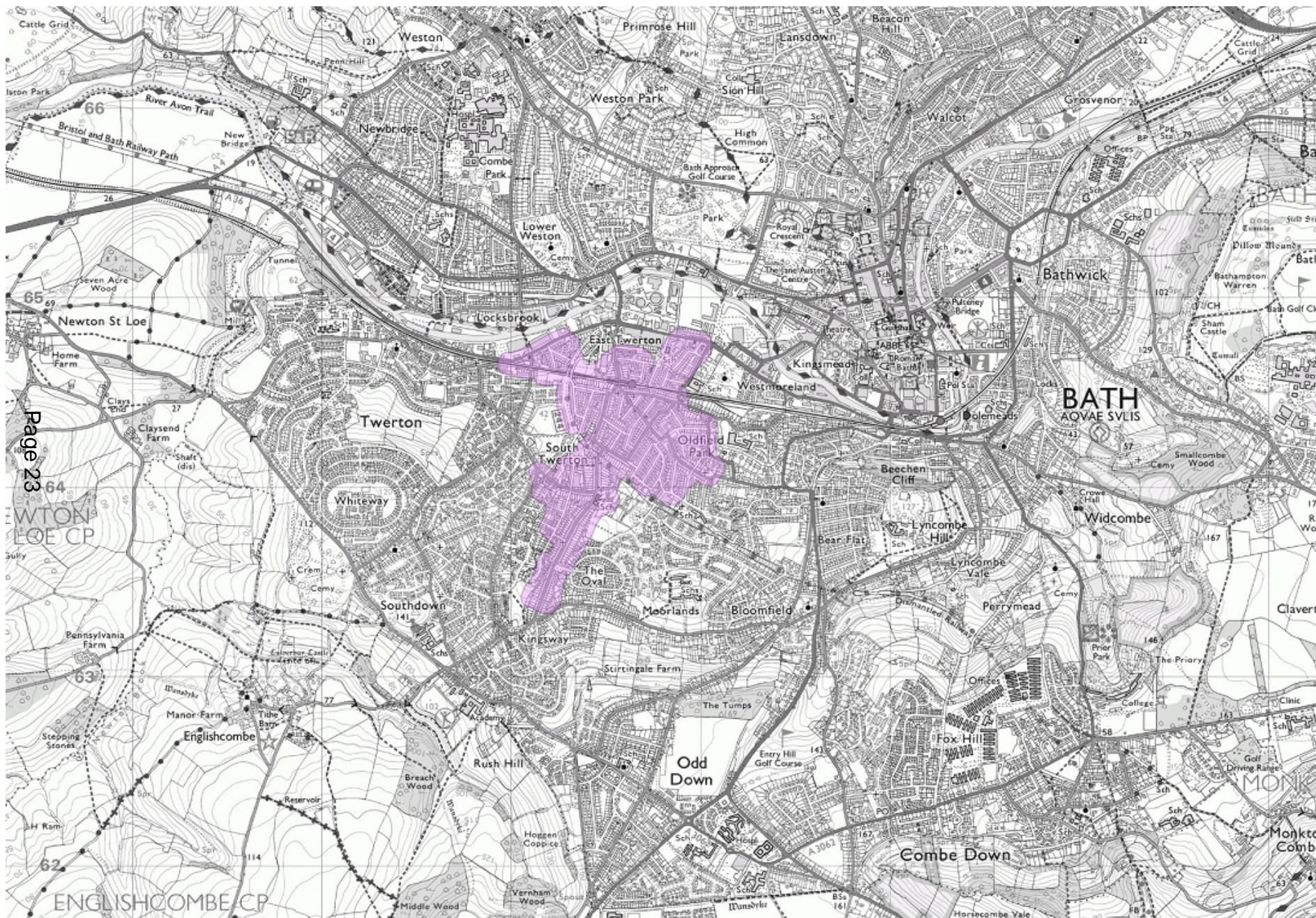
## 9 RISK MANAGEMENT

- 9.1 Data management: Not all unlicensed 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.
- 9.3 The House Condition Survey (Housing Census modelling study) was undertaken by Housing in April 2017 and the potential changes in the Mandatory Licensing scheme consulted in 2015 will help improve the data sets. However, thorough 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.

<b>Contact person</b>	<i>Simon de Beer 01225 477616/Kaoru Jacques 01225 477288</i>
<b>Background papers</b>	<i>2013 HMO SPD</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	

**APPENDIX A – ARUP REPORT 2017**







## 20% HMO Threshold

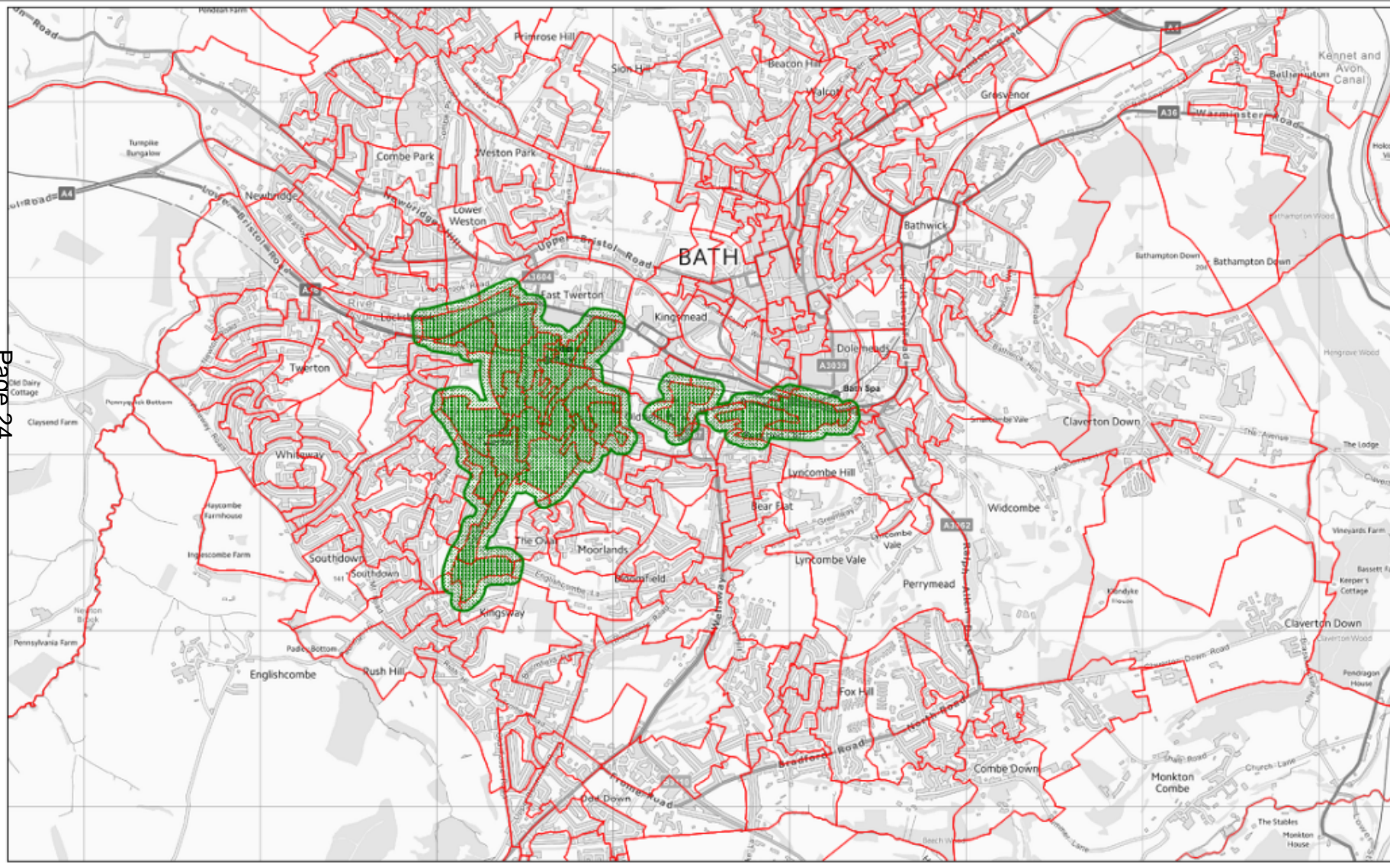
With 50m buffer

Compiled by MLaker on 27 January 2017

Scale 1:20000 at A3



Bath & North East Somerset Council  
Lewis House  
Manvers Street,  
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Tel 01225 477000





# 10% HMO Theshold

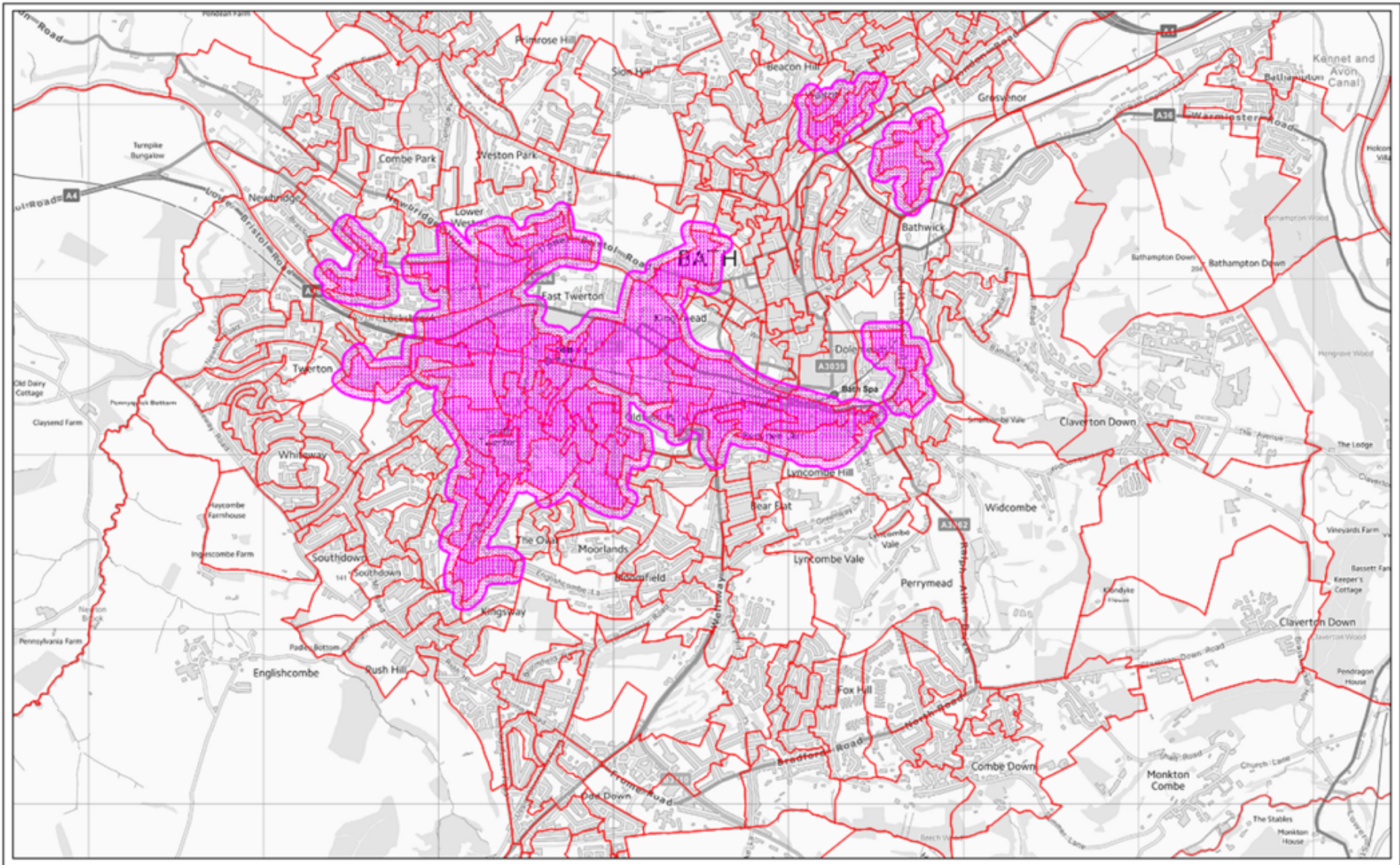
With 50m buffer

Compiled by MLaker on 27 January 2017

Scale 1:20000 at A3

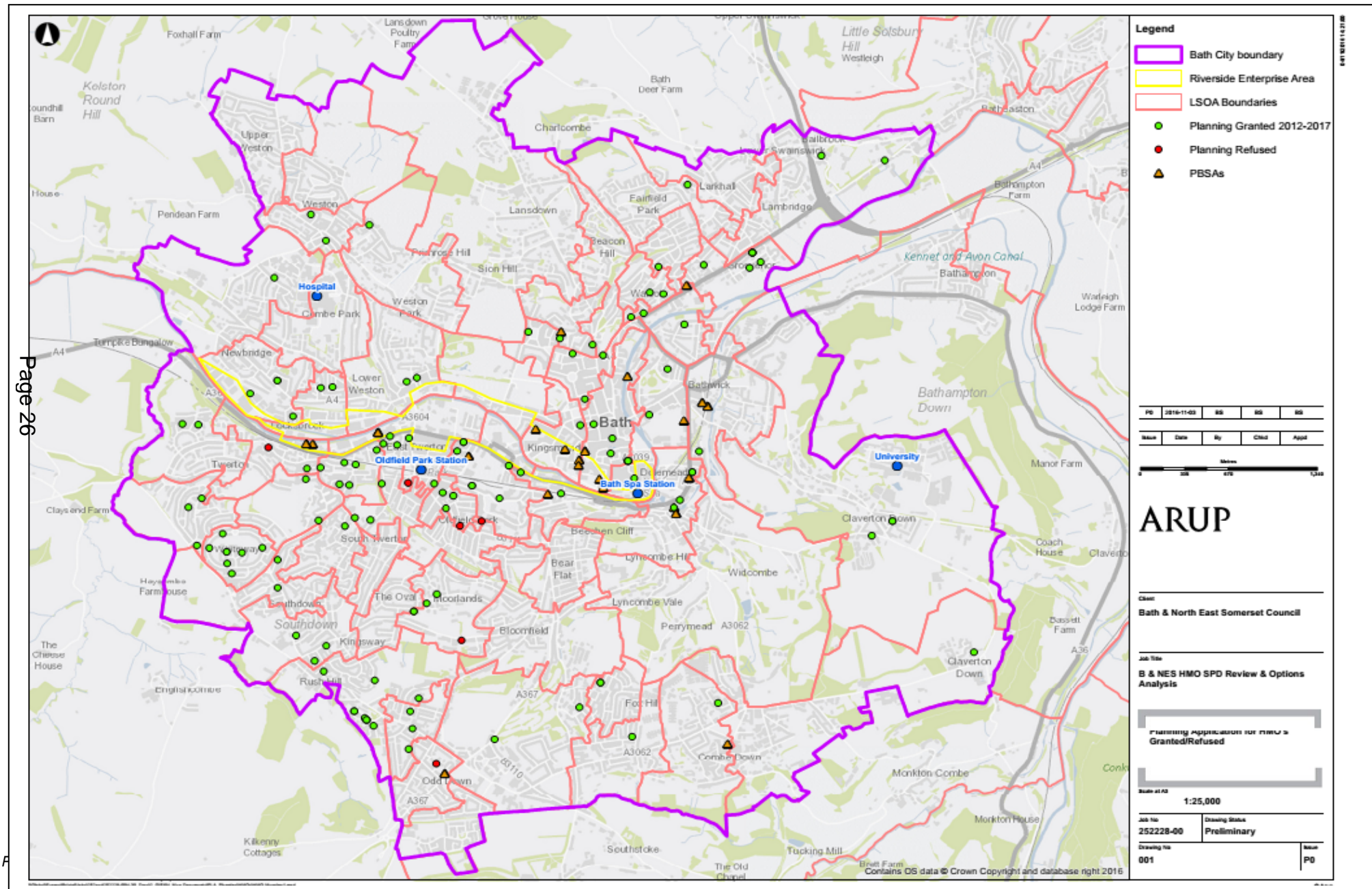


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Appendix C –Planning Permissions for HMOs granted/refused after July 2013



Bath & North East Somerset Council

**Bath HMO SPD Review**

HMO SPD Review & Options  
Analysis

Issue 4 | 19 April 2017

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 252228-00

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# Document Verification

# ARUP

<b>Job title</b>		Bath HMO SPD Review		<b>Job number</b>	
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<b>Document ref</b>					
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			Prepared by	Checked by	Approved by
		Name	Nick Doyle	Ann Cousins	Wayne Dyer
		Signature			
Issue 1	22 Dec 2016	<b>Filename</b>			
		<b>Description</b>	Updated following discussion on options. Draft for issue		
			Prepared by	Checked by	Approved by
		Name	Tamsin Sealy	Ann Cousins	Wayne Dyer
		Signature			
Issue 2	17 Jan 2016	<b>Filename</b>	HMO SPD Review and Options Analysis_FINAL		
		<b>Description</b>	Revised to reflect comments from BANES		
			Prepared by	Checked by	Approved by
		Name	Tamsin Sealy		
		Signature			
Issue 2	21 Feb 2017	<b>Filename</b>	HMO SPD Review and Options Analysis_21Feb17.docx		
		<b>Description</b>	Updated to include comments from B&NES		
			Prepared by	Checked by	Approved by
		Name	Tamsin Sealy	Ann Cousins	Wayne Dyer
		Signature			
<div style="text-align: right;"> <b>Issue Document Verification with Document</b> <input checked="" type="checkbox"/> </div>					



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## Appendix A

Engagement Plan

## Appendix B

Workshop report

## **Appendix C**

### **Option 1: Reduce Threshold**

# 1 Introduction

## 1.1 Purpose of Report

Arup has been commissioned by Bath and North East Somerset Council (B&NES) to assist with a review of the Supplementary Planning Document (SPD) on Houses of Multiple Occupation (HMOs) adopted in July 2013.

This report will first set out the context for the review, providing an overview of relevant national and local policy and an analysis of the current supply and demand for HMOs in Bath. This will include a consideration of the future growth trajectory of Bath's higher education institutions (which are a major source of demand for such accommodation) and the growth of the Purpose Built Student Accommodation (PBSA) sector.

The report will then review the existing SPD and evaluate how effective its policies and overall approach have been in regulating the growth of HMOs in Bath since adoption in 2013. This will review both the implementation and the outcome of the SPD policies in order to identify any limitations to the current approach.

Finally, the report will present and appraise a number of options that B&NES may consider adopting in their revised HMO SPD. These options will be developed through case study research of other local authority approaches to HMOs and housing generally, as well as through a stakeholder workshop held in Bath. The report will conclude by making a recommendation of the next steps to be taken by B&NES in the SPD review process.

## 1.2 Methodology



The above diagram sets out the approach taken in reviewing the SPD. First, a literature review was undertaken to set out the current legislative and policy context relating to HMOs. Next, various sources of data related to HMOs in Bath were identified and collated into an evidence base with which to review the existing SPD. Following the review, a stakeholder workshop was held in Bath to discuss the findings and identify possible options for inclusion in the revised SPD approach<sup>1</sup>. Finally, the selected options were appraised in terms of their potential impact on various relevant stakeholders.

## 1.3 Houses in Multiple Occupation

Under the Housing Act 2004 a House in Multiple Occupation (HMO) is defined as a building or part of a building (e.g. a flat):

<sup>1</sup> A report of this workshop is available in Appendix A.

- which is occupied by more than one household and in which more than one household shares an amenity (or the building lacks an amenity) such as a bathroom, toilet or cooking facilities; or,
- which is occupied by more than one household and which is a converted building which does not entirely comprise self-contained flats (whether or not there is also a sharing or lack of amenities); or
- which comprises entirely of converted self-contained flats and the standard of conversion does not meet, at a minimum, that required by the 1991 Building Regulation and more than one third of the flats are occupied under short tenancies.

And is 'occupied' by more than one household;

- as their only or main residence , or,
- as a refuge by persons escaping domestic violence, or,
- during term time by students, or,
- for some other purpose that is prescribed in regulations.

And the households comprise:

- families (including single persons and co-habiting couples (whether or not of the opposite sex), or,
- any other relationship that may be prescribed by regulations, such as domestic staff or fostering or carer arrangements.

Exemptions to the HMO definition include:

- buildings managed by educational establishments, Local Housing Authorities, Registered Social Landlords, Police, Fire, Health Authority or regulated by other legislation such as residential care homes;
- buildings occupied by religious communities
- buildings with a residential landlord, in which the owner occupier occupies the building with no more than two lodgers

### Use Class Order

In 2010, the legislative planning framework for Houses in Multiple Occupation (HMOs) changed significantly with the introduction of a new planning Use Class (C4); an HMO with 3 or more people. This change aligns the Use Classes Order with the definition of an HMO within the Housing Act 2004. This is in addition to the previous planning definition of 6 or more people living together (sui generis).

## 1.4 Purpose Built Student Accommodation

The development of Purpose Built Student Accommodation (PBSA) has risen across the UK. In recent years PBSA has been one of the most consistently active markers since the economic downturn in 2008. PBSA is a building specifically designed for the occupation of students and can mean the development of a new building or conversion of an existing building. PBSA is generally classed by local planning authorities (LPAs) as Sui Generis not falling within an specific use class,

although they have been also been classed as C2 (residential institutions), C3 (dwelling houses) and C4 (HMOs).<sup>2</sup>

PBSA can be defined as managed communal accommodation which forms a student's primary residence. It is usually characterised by cluster flats with shared self-catering facilities or fully self-contained studio flats, although there is considerable variety in the sector. It is built off-campus solely for the use of students and is often located in central brownfield sites. In being developed and operated by the private sector, it is differentiated from the traditional university halls of residence, which is (usually) on-campus accommodation solely owned and operated by the university. However, in recent years, national PBSA developers such as Unite have entered into partnerships with university institutions to assist in delivering their accommodation requirements.<sup>3</sup>

While recognising the quality and security benefits of PBSA, some organisations such as the NUS/Unipol have expressed concern over the affordability of such developments, which they view as often primarily focused on serving the high-spend foreign student market.<sup>4</sup>

It should be noted that a block of purpose built flats cannot be a HMO if considered as a block. However, individual flats (because they are shared/cluster flats) within the block (whether it is purpose built or converted) can still fall within the definition of a HMO. If there was any sharing of at least one of the washing facilities, toilet facilities or kitchen facilities by two or more households, then it would be an HMO.

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<sup>2</sup> Evans (2016) The Student Accommodation Use Classes Order Predicament, NLP  
<http://nlpplanning.com/blog/the-student-accommodation-use-classes-order-predicament/>

<sup>3</sup> Unite Group: <http://www.unite-group.co.uk/universities/partnership>

<sup>4</sup> NUS/Unipol (2015) Accommodation Costs Survey 2015  
<http://www.nusconnect.org.uk/resources/nus-unipol-accommodation-costs-survey-2015>

## 2 Policy Context

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### 2.1 National Policy

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*'.

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.*

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*'.

### 2.2 Local Policy

#### 2.2.1 Local Plan Part 1 Core Strategy

The Core Strategy adopted July 2014 forms part one of the B&NES Local Plan and is one of the key strategy documents setting out the spatial elements of the Council's vision. The document establishes the strategic policy framework for the district and the proposed management of land uses up to 2029.

#### Policy DW1 District Wide Spatial Strategy

Based on the Strategic Housing Market Assessment the Core Strategy identifies a need for approximately 13,000 new dwellings over the plan period. The proposed spatial distribution of housing identifies a requirement for 7,020 to be developed in Bath (this figure relates to non-student dwellings only). The Placemaking Plan allocates sites to meet the requirements set by the Core Strategy.

Policy DW1 seeks to promote sustainable development by focusing new housing, in Bath, Keynsham and the Sommer Valley and ensuring there is modern office space in Bath whilst maintaining the heritage status of the city.

Further Policy DW1 prioritises the use of brownfield land and seeks to retain the general extent of the Bristol – Bath Green Belt within B&NES, accepting the release of greenbelt land to meet the District development need at the following locations:

- Land adjoining Odd Down
- Land adjoining East Keynsham
- Land adjoining South West Keynsham
- Land at Whitchurch

### **Policy CP10 Housing Mix**

Policy CP10 sets out that new housing development, both market and affordable, must provide for a variety of housing types and size to accommodate a range of different households, including families, single people and low income households as evidenced by local needs assessments.

Further to this, Policy CP10 states that the mix of housing should contribute to providing choice in tenure and housing type, having regard to the existing mix of dwellings in the locality and the character and accessibility of the location.

### **Policy B1 Bath Spatial Strategy**

Policy B1 sets out the spatial strategy for Bath, covering a range of themes including economic development, housing and higher education. This policy identifies the areas for growth in Bath and the distribution of housing and commercial land that will be planned for.

Policy B1 seeks to enable the provision for additional on-campus student bedspaces at the two Bath universities and new off-campus student accommodation subject to Policy B5, thereby facilitating growth in the overall number of students whilst avoiding growth of the student lettings market. This policy also seeks to enable provision of additional on-campus and city centre teaching and research space.

### **Policy B5 Strategic Policy for Bath's Universities**

The Council seeks to enable the continued success of The University of Bath and Bath Spa University and the contribution they make to the city's identity and profile. The policy supports the University of Bath – Claverton Down Campus expansion and seeks to review the potential for the Bath Spa University – Newton Park Campus intensification through the B&NES Placemaking plan.

Policy B5 states that proposals for off-campus student accommodation will be refused within the Central Area, the Enterprise Area and on MoD land where this would adversely affect the realisation of other aspects of the vision and spatial strategy for the city in relation to housing and economic development.

## **2.2.2 Local Plan Part 2 Placemaking Plan**

The Placemaking Plan was submitted by the Council to the Secretary of State for Examination in April 2016 and forms part two of the B&NES Local Plan. The

Placemaking Plan complements the adopted Core Strategy, and outlines a district wide suite of planning policies and allocates specific sites for development.

## **Volume 1: District Wide Policies and Strategies**

### **Policy H2 Houses in Multiple Occupation**

Policy H2 states that change of use from residential to a large HMO (*sui generis*) or small HMO (C4) will require planning permission. Policy H2 sets out the following criteria for determining these applications:

- If the site is within Bath, and within an area with an high concentration of existing HMO (as defined in the Houses in Multiple Occupation in Bath Supplementary Planning Document, or successor document), further changes of use to HMO use will not be supported as they will be contrary to supporting a balanced community;
- The HMO use is incompatible with the character and amenity of established adjacent uses;
- The HMO use significantly harms the amenity of adjoining residents through a loss of privacy, visual and noise intrusion;
- The HMO use creates a severe transport impact;
- The HMO use results in the unacceptable loss of accommodation in a locality, in terms of mix, size and type;
- The development prejudices the continued commercial use of ground/lower floors.

## **Volume 2: Bath**

At the time of preparation of the Placemaking Plan, the Council received updated growth plans from both Universities. They are summarised the Student Numbers and Accommodation requirements in Bath Update (May 2016). New private educational institutions such as language schools have also signalled a desire to increase their presence in the city.

The issues relating to the revised growth aspirations of both universities and private colleges and the resultant additional pressures on the housing market are considered to be strategic matters that will be assessed and responded to as part of the wider housing requirement through the future Local Plan review.

The Placemaking Plan reviews the housing situation in Bath and identifies the revised growth aspirations of both the University of Bath and Bath Spa University. The Council considers that these aspirations put significant pressure on the city's housing stock for conversion to HMO's (Houses in Multiple Occupation), while demand for purpose built student housing competes with the Council's priorities of delivering housing and employment.

The approach of the plan seeks to achieve a balance between the aspiration of education institutions, the concerns of communities and the performance of the city. The strategy seeks to enable the universities and colleges to meet their ambitions as far as possible without having a negative impact on wider strategic planning requirements, the university campuses or their environments.



The Placemaking Plan carries forward Policy B5 from the Core Strategy. In limiting the location and acceptability of future PBSA blocks and teaching space, Policy B5 could influence the growth aspirations of the two Bath universities, which many need to be modified in response to what is realistically deliverable within the regulatory planning framework and specific land constraints of Bath.

### 2.2.3 Bath Article 4 Direction

In 2012 B&NES undertook a feasibility study to assess the potential for an Article 4 Direction for HMOs and other options as an alternative to it. The study involved data gathering and identification of 'harm' from the impacts associated with HMOs in Bath. The study included identification and a justification of the geographical extent for the implementation of the Article 4 Direction in Bath.

The study concluded that no option for intervention is perfect, none can be guaranteed to deal with all real and perceived issues, and some options could create other challenges.

An Article 4 Direction was considered an appropriate solution for Bath, recommended to be implemented after a 12 month notice period. A further recommendation was that it should be supported by new detailed development management threshold policy (via an SPD) to be used to justify refusal of a planning application.

### 2.2.4 Bath HMO SPD

The Houses in Multiple Occupation in Bath SPD adopted in 2013 set out the council approach to the distribution and dispersal of HMOs. It aimed to encourage a sustainable community in Bath by encouraging a balanced housing mix across the city. The SPD identifies decision making criteria for the assessment the following types of planning applications:

- Applications for a change of use from a C3 (dwellinghouse) to C4 HMO;
- Applications for change of use to large HMOs of more than 6 people; and

The SPD sets out a two stage assessment for applications for HMOs stating that applications 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 metre radius of the application property.

The threshold of 25% was proposed based on local statistical evidence and consideration of the suitability of the housing stock and public transport corridors and existing levels of HMOs.

The following council managed datasets were used to calculate the proportion of HMOs as a percentage of households.

- Licensed HMOs;
- Properties benefiting from planning consent;
- Council tax exempt student properties; and
- Properties known to the council to be HMOs.

These sources were considered the best approach to identify the number and locations of HMOs in an area. The SPD sets out that the council will continually monitor changes in HMO numbers, the data would be checked for double counting and updated twice a year.

## 2.2.5 HMO Licensing in Bath

The licensing of HMOs is the main regulatory tool that local authorities can use to manage the quality of private sector stock in multiple occupation. Licensing is about ensuring HMOs are safe and well managed and not about stopping them being used. There are three types of licensing options available to local authorities:

- Mandatory licensing (the status quo nationwide).
- Additional licensing.
- Selective licensing

### Mandatory Licensing

Under the Housing Act 2004, licensing is mandatory for all HMOs which have three or more storeys and are occupied by five or more persons forming two or more households. Local Authorities are responsible for enforcing mandatory licensing within their boundary. An authority has the discretion to extend licensing to other categories of HMOs through implementation of additional licensing, in all or some of its district, over and above a mandatory scheme.

In 2015 the Government undertook consultation on the options for extending the scope of mandatory licensing of HMOs<sup>5</sup>. It also set out proposals to streamline the HMO licensing process. The discussion document acknowledged that the current definition of a large HMO needed to be updated and asked whether mandatory HMO Licensing should be applied to all relevant HMOs regardless of their number of storeys. Following this consultation, the government proposes to implement the following measures:

- extend mandatory licensing so that most HMOs occupied by five or more people from more than one household, are included; The Government considered that removing the storey rule will ensure that smaller sized but higher risk HMOs are brought within the regime.
- include flats above and below business premises; and
- clarify that the minimum room size 6.5m<sup>2</sup> for sleeping accommodation does apply to all licensable HMOs.

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<sup>5</sup> <https://www.gov.uk/government/consultations/extending-mandatory-licensing-of-houses-in-multiple-occupation-and-related-reforms>

## Additional Licensing

Additional licensing can be applied to cover other HMO types not covered by mandatory licensing. Whilst additional licensing requires an additional resource, it also brings in an additional income to cover the cost of administering the scheme as there is a fee associated with each licence. Additional licensing is used to tackle specific problems in specific areas rather than covering all HMOs across a local authority area.

B&NES introduced an Additional Licensing Scheme on the 1<sup>st</sup> January 2014 which will run until the 31<sup>st</sup> December 2018<sup>6</sup>. Under the scheme a licence is required if a property is:

- Located in Oldfield, Westmoreland, Widcombe (north) and areas of Bathwick, Lyncombe, Southdown and Twerton.
- Occupied by three or more people and those people form two or more households and tenants share an amenities.

Additional licences are not required for buildings converted entirely into self-contained flats (s257 HMOs), although the individual flats maybe licensable in their own right; purpose built student accommodation where the organisation which manages the building is subject to a national approved code of practice and the building in question is subject to that code.

Licensing requires landlords to provide details of the management arrangements and the property. B&NES Housing Services has compiled a register of licensed properties identifying their maximum capacity and property details. A public register of HMOs is maintained on the council website so local residents can find out who manages HMOs near them and are able to more quickly and easily report problems.

## Selective Licensing

A local authority can implement a selective licensing scheme. This means that all rented properties in specified areas will be required to apply for a licence. Again, this approach requires additional resource, but brings in additional fees.

A designation can be made where one or more of the following conditions apply in an area<sup>7</sup>:

- low housing demand (or is likely to become such an area)
- a significant and persistent problem caused by anti-social behaviour
- poor property conditions
- high levels of migration
- high level of deprivation

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<sup>6</sup> <http://www.bathnes.gov.uk/services/housing/landlords-and-tenants/additional-licensing-houses-multiple-occupation-hmos/do-i>

<sup>7</sup> DCLG (2015)

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/418551/150327\\_Guidance\\_on\\_selective\\_licensing\\_applications\\_FINAL\\_updated\\_isbn.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf)

- high levels of crime

If applying selective licensing on the grounds of property conditions, migration, deprivation or crime, the local housing authority may only designate if the area also has a high proportion of private rented property (above 19% as of 2014).

Detailed guidance on what constitutes each of the above designation criteria and when they can be applied is provided by the Department for Communities and Local Government<sup>8</sup>.

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<sup>8</sup> *Ibid.* (2015)

## 3 HMOs and PBSA: Demand and Supply

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### 3.1 Factors Affecting Demand

HMOs in Bath are let to a wide range of groups including young professionals, students, immigrants, lodgers, asylum seekers, those on housing benefit and contract workers. The demand for HMOs in Bath is influenced by a variety of factors. Recent changes which affect demand are outlined below.

#### General demand factors:

- From April 2016, changes to the Local Housing Allowance (LHA) extended the shared accommodation rate of housing benefit to apply to social as well as private sector tenants. This rule states that a single person under 35 and with no children can only claim housing benefit up to the cost of a room in a shared house. While this already applies to private tenants, the extension of the rule to social tenants affects tenancies signed from April 2016, although the benefit cuts will occur fully from April 2018. This could result in an increased demand for HMOs in the near future, as social housing tenants become financially limited to living in a shared house.
- The UK vote to leave the EU on 23<sup>rd</sup> June 2016 will bring uncertainty to the HMO market over the next few years. As the Brexit process is negotiated, changes to national immigration policy could result in less demand for HMOs as temporary and immigrant workers face greater restrictions.
- The level of in-migration of young professionals in Bath and the graduate retention rate from the two Bath universities impacts upon HMO demand, as young workers are likely to seek shared housing.

#### Student demand factors:

- In 2012, the Government introduced various changes to the admissions system in UK higher education. First, the admissions cap was removed which had set an allocation of university places across institutions in order to control the budget for publicly funded student loans and grants. The introduction of a new finance model for university funding enabled the removal of the cap and institutions may compete for admissions.
- Second, the Government introduced changes to the visa system for non-EU students in 2012, as part of its aims to reduce immigration. Prior to this, students could be granted a visa to remain in the UK and work for two years following graduation. This right has now been revoked for all but a handful of postgraduates (in contrast to countries such as Canada and USA). Given that it is thought that the opportunity to remain on in the UK and take up employment was a large draw for many international students from countries such as India, this was expected to result in a reduction in the numbers of international students. While this is true for Indian students, the admission of Chinese and other Asian students has increased since 2012.
- Finally, from 2012 universities have been able to increase tuition fees from £3,375 to £9,000 per year. Both the University of Bath and Bath Spa

University have set their fees at the maximum level. Fees for EU and international students and postgraduate courses have also increased substantially. Despite concerns that this would deter potential university applicants, UCAS reported a record UK admissions rate in 2015, as well as increases in EU and non-EU international students compared to the previous years.<sup>9</sup>

- More recently, the results of the referendum to leave the European Union may also impact on demand. While it is unclear what settlement may be reached, it is possible that EU students will have to gain student visas, European funding for university research may be lost and that the UK could be seen as a 'less welcoming place' for international students to relocate to study. Uncertainties around the impact of the referendum result on higher education are likely to continue as the outcome of 'Brexit' is determined.

### 3.1.1 Higher Education in Bath

Bath is home to two universities; Bath Spa University and the University of Bath. It also plays host to the City of Bath College, which offers some higher education programmes. In addition, there are other colleges including Bath Academy and Norland College, which offer university or pre-university level courses, and are likely to have some students who require accommodation in the City. However, it is anticipated that the majority of students at the colleges would be 'home students' with no requirement for accommodation as they are already resident in Bath or the surrounding area. Data on the percentage of home students for the colleges is not available.

### 3.1.2 Student Population Forecasts

The availability of university student population data allows for potential demand for student HMOs to be calculated in a way that is difficult to do for other HMO residents. The Higher Education Statistics Agency provide information on students in Bath, currently up to the 2014/2015 academic year. Table 1 shows the breakdown of the student population of the two Bath universities. As per this data, the current student population of Bath stands at 22,950.

**Table 1: Higher Education Students in Bath Universities 2014/15<sup>10</sup>**

		University of Bath	Bath Spa University	Total
Undergraduate (UG)	Full-time (FT)	11180	5215	16395
	Part-time (PT)	135	90	225
	UK	8875	4915	13790
	Other EU	995	135	1130
	Non-EU	1445	255	1700
	Total UG	11315	5305	16620

<sup>9</sup> UCAS (2015) End of Cycle Report 2015

<sup>10</sup> HESA, <https://www.hesa.ac.uk/data-and-analysis/students>

<b>Postgraduate (PG)</b>	Full-time (FT)	2130	1095	3225
	Part-time (PT)	2130	980	3110
	UK	2185	1705	3890
	Other EU	445	55	500
	Non-EU	1625	315	1940
	Total PG	4255	2075	6330
<b>Total FT Students</b>		13310	6310	19620
<b>Total All Students</b>		15570	7380	22950

The B&NES report “Student Numbers and Accommodation Requirements in Bath” (Part of the Strategic Housing Market Assessment, May 2016) looks at how the current student population of the two universities might change in the future, based on what the council understand the university’s growth aspirations to be. The five year projections are listed in Table 2 and can be summarised as below:

- The total population of University of Bath is forecast to increase from 14,752 in 2012/13 to 19,000 by 2020/21 (an increase of 4,248 or 29%).
- The total population of Bath Spa University is forecast to increase from 7,105 in 2012/13 to 10,742 by 2020/21 (an increase of 3,637 or 51%).

**Table 2 – Five Year Student Population Forecasts (May 2016)**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
University of Bath Total student population	16,419	17,026	17,630	18,090	18,510	19,000
Bath Spa Total student population	7,400	8,282	9,094	9,773	10,283	10,742
<b>Total Combined Student Population</b>	<b>23,819</b>	<b>25,308</b>	<b>26,697</b>	<b>27,863</b>	<b>28,793</b>	<b>29,742</b>

### 3.1.3 Student Accommodation Demand in Bath

Using the university growth forecasts in Table 2, an estimation of future HMO demand from students in Bath can be calculated. This information is displayed in Table 3. The ‘projected student housing need’ is based on a methodology provided by B&NES and the two universities in aforementioned May 2016

report<sup>11</sup>, which calculates the percentage of the total student population who will require housing (e.g. it excludes stay at home students, or those on a placement year). The figures assume an average occupancy of 4 students per HMO.

**Table 3 – Estimated Demand for HMOs in Bath to 2020/21<sup>12</sup>**

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Projected student housing need	16,654	17,673	18,749	19,197	20,073	20,691
Projected bedspaces in PBSA	7,095	7,457	7,818	8,180	8,541	8,903
Student HMO bedspace requirement	9,559	10,216	10,931	11,017	11,532	11,788
<b>Student HMO requirement</b>	2,390	2,554	2,733	2,754	2,883	2,947

For 2015/16 the modelled need is 16,654 bedspaces and available purpose built beds is 7,095. This leaves an overall residual demand for 9,559 bedspaces which equates to approximately 2,390 HMOs. The Council's housing department data shows there are in the region of 2,395 HMOs across the district, suggesting that in the last year, demand was met. However, the growth projected for the next five years shows an increased demand that will exceed existing supply of HMOs. In the absence of any new PBSA developments, if the university growth aspirations set out were to be realised, there would be a need for a further 2,229 HMO bedspaces in a further 557 HMOs to 2020/21.

The B&NES report provides tentative predictions for university population growth to 2028/29. This states that a continuation of a 3% growth rate at the University of Bath would result in 24,069 students, of which 18,725 would need housing. This would represent an additional 3,712 bedspaces and 928 HMOs required between 2020/21 and 2028/29. If combined with an estimated projection of 1-2% growth in Bath Spa University in the same period, the bedspace need increases by another 500-1000 and the resulting HMO requirement increases by 130-260.

## 3.2 Supply of HMOs

The Council's housing department data shows there are in the region of 2,395 HMOs across the district. This figure represents both HMOs that require licences (HMOs with five or more bedrooms and three or more storeys where there is sharing of facilities) and HMOs with three or more people living together (C4 HMOs) that have come to the attention of the housing services either through

<sup>11</sup> Bath and North East Somerset Local Plan 'Student Numbers and Accommodation requirements in Bath', (May 2016), Page 10, Paragraph 2.8

<sup>12</sup> Arup analysis, based on data provided in *Student Numbers and Accommodation requirements in Bath*



general enforcement, proactive inspections, working with partners and following complaints.

### 3.2.1 Supply and Distribution of HMOs

The way HMOs are distributed across the city is an important factor in the level of impact they have upon other residents. Despite the integral role they play in a balanced and effective local housing market, HMOs are often associated with environmental management issues such as noise disturbances, litter and parking difficulties. In particular, these issues are apparent when the distribution of HMOs is unbalanced. As a small city with two universities, the issue of ‘studentification’<sup>13</sup> is relevant to Bath, in which student HMOs are concentrated in certain areas of the city. The sub-markets for HMOs can be spatially concentrated or widely dispersed, depending on the demand group and on the supply of particular property types in a given area.

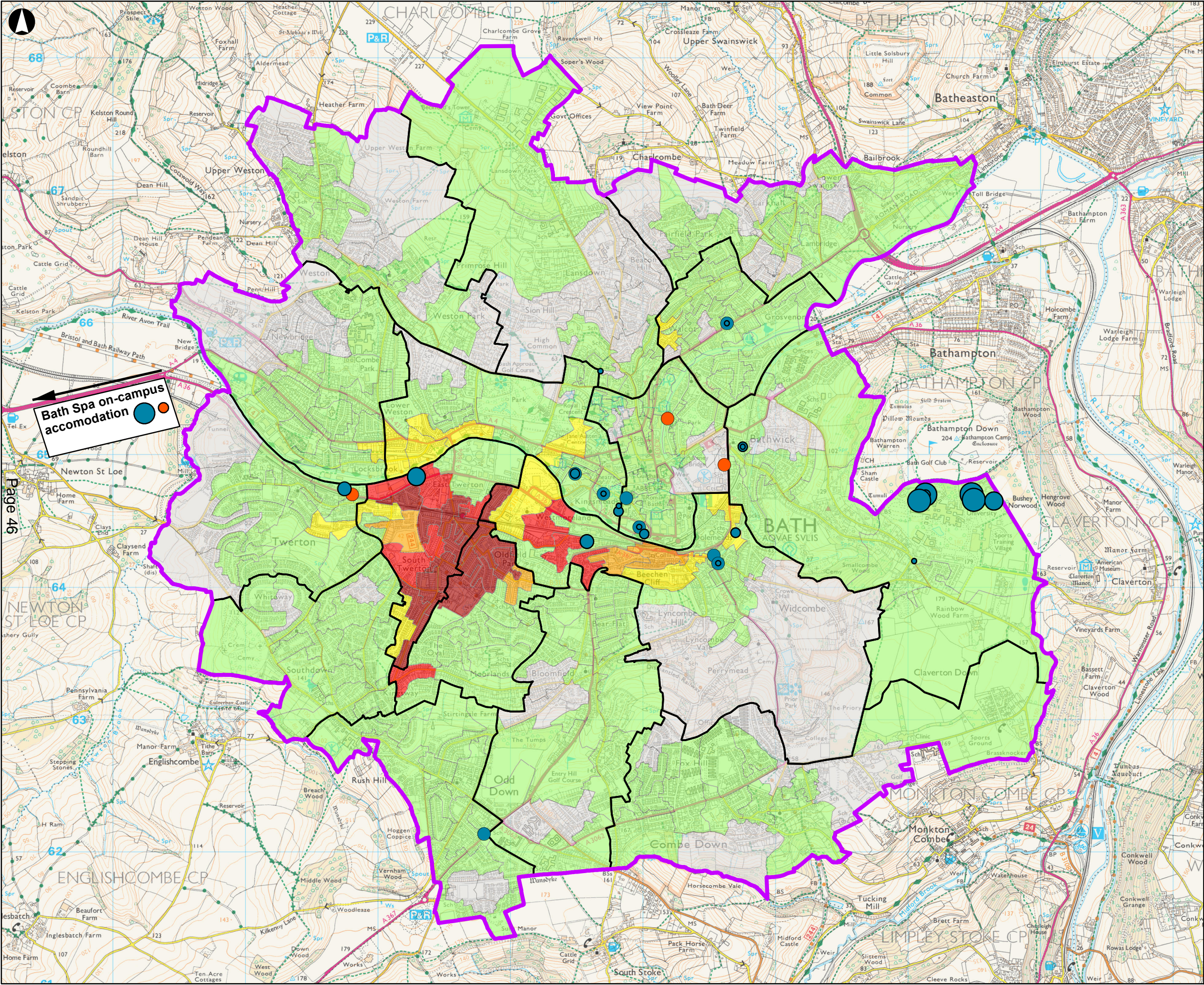
The distribution of these properties in Bath is shown by Census Output Area (COA) in Figure 1. This shows that the highest concentration of HMOs spans the wards of Oldfield, Westmoreland and Widcombe, and more generally along the key public transport corridors that radiate from the city centre. The COAs which have a HMO concentration exceeding the 25% threshold are clustered in South Twerton, East Twerton and Oldfield Park.

The distribution of HMOs in 2016 (see Figure 1) is reflective of the areas covered by the Additional Licensing scheme. The Additional Licensing Scheme provides greater scrutiny of HMOs and that the data it provides helps to present a clearer picture of HMO distribution. For comparison, the equivalent retrospective data from 2013 (the year the HMO SPD was adopted) is also shown in Figure 2.

---

<sup>13</sup> National HMO Lobby (2008) Balanced Communities & Studentification: Problems and Solutions





### Legend

Bath City Boundary

Ward boundaries

### Percent

0

< 10 %

10 - 15 %

15 - 20 %

20 - 25 %

> 25 %

### Halls of Residence - Build Status

Built

Pipeline

### Halls of Residence - Bedspace

< 100

100 - 200

200 - 300

300 - 400

> 400

P0	2017-04-18	JE	AC	WD
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Issue	Date	By	Chkd	Appd
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0

230

460

920

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Client

**B&NES**

Job Title

**B&NES Article 4 HMO Study  
- Stage 2**

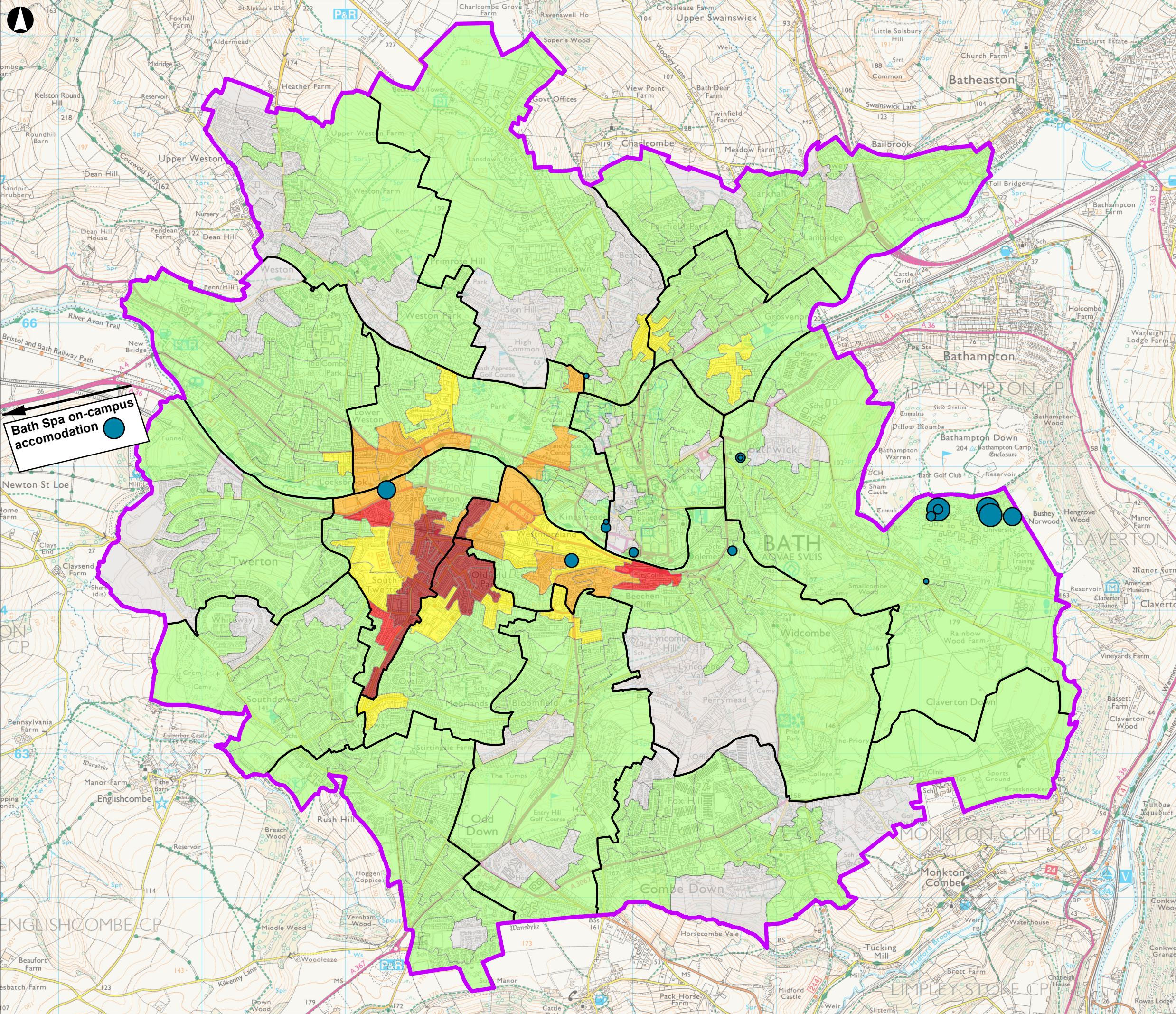
Percentage of Houses of Multiple Occupation (HMOs) by Census Output Area (COA)  
(April 2017 Update)

Scale at A3

1:27,177

Job No	Drawing Status
<b>218116-00</b>	<b>Preliminary</b>
Drawing No	Issue
<b>MAP 7</b>	<b>P0</b>





Legend

- Bath City boundary
- Ward boundaries

Houses of Multiple Occupation (2013)

- > 25 %
- 20 - 25%
- 15 - 20 %
- 10 - 15 %
- < 10%

Halls of Residence - Bedspace

- < 100
- 100 - 200
- 200 - 300
- 300 - 400
- > 400

P0	2016-12-02	JE	AC	WD
Issue	Date	By	Chkd	Appd

Metres  
0 320 640 1,280

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Client  
**Bath and North East Somerset Council**

Job Title  
**B&NES Article 4 HMO Study**

Drawing Title  
**Percentage of Houses of Multiple Occupation (HMOs) by Census Output Area (COA) 2013**

Scale at A3  
**1:25,000**

Drawing Status  
**Preliminary**

Job No <b>218116-00</b>	Drawing No <b>007</b>	Issue <b>P0</b>
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### 3.3 Supply of PBSA

#### 3.3.1 University of Bath

The University of Bath has been a significant feature of Bath since the development of Claverton Campus in 1965, situated 2.5km east of the city. The university also has a presence across Bath city centre, with over 1,000 study bedrooms located in five halls of residence (A-E) across the centre, while the University's Innovation Centre and Centre for Lifelong Learning are located in Carpenter House, adjacent to Cleveland Bridge.

The 2014 University of Bath Masterplan Update proposes development of the campus to provide additional academic floor space and student beds to accommodate the anticipated significant growth of the university in the period to 2026. The masterplan highlights that historic growth in student numbers has resulted in a 50% reduction in area available per student since the 1990s. There is a subsequent need to expand academic and student accommodation space if the university is to retain its reputation and attract new students.

The masterplan follows on from the 2012 update where the university embarked on a development programme, investing £100m to provide new teaching space, student accommodation and a new Centre for the Arts.

The 2014 Masterplan Update sets out provision for 60,000m<sup>2</sup> of academic and administrative space and 2,400 new bedspaces by 2026<sup>14</sup>. The delivery of the Quads accommodation in 2014 delivered 708 of these bedspaces, increasing the current on-campus supply to 3,156. The residual number sought by 2026 is therefore 1,692.

University of Bath has a number of off-campus sites across Bath for the purposes of student accommodation<sup>15</sup>, some of which are directly managed and maintained by the university and others which are delivered through partnership with private sector student accommodation providers such as CRM. There are also additional privately developed PBSA units which are not necessarily formally affiliated with an institution; the extent to which they house University of Bath students will therefore change annually. However, for the sake of simplicity they are listed below under University of Bath allocation. The sites identified below provide for a total of 1494 beds in the city, with potential to increase to 1682 if the current consented pipeline is delivered. Table 4 shows the location of University of Bath's student accommodation.

<sup>14</sup> University of Bath, *Masterplan 2009-2026: 2014 Summary Update*  
<http://www.bath.ac.uk/estates/docs/uob-lemp-appendix1-masterplan.pdf>

<sup>15</sup> University of Bath, Choose your student accommodation options Available [Online] from:  
<http://www.bath.ac.uk/campaigns/choose-your-student-accommodation-options/>

**Table 4: University of Bath accommodation**

Off Campus Sites	Beds	Planning Status	Postcode
<b>Undergraduate Accommodation (City Centre) Directly Maintained</b>			
Carpenter House	133	Delivered	BA1 1UB
John Wood Building	61	Delivered	BA1 1AG
John Wood Court	191	Delivered	BA1 1AL
<b>Postgraduate Accommodation (City Centre) Directly Maintained</b>			
Canal Wharf, Sydney Wharf	21	Delivered	BA2 4EF
Cleavelands Building	154	Delivered	BA2 4EP
Pulteney Court	137	Delivered	BA2 4JQ
Thornbank Gardens	221	Delivered	BA2 3HA
<b>CRM- Managed Accommodation (City Centre)</b>			
Canal Bridge (CRM)	20	Delivered	BA2 4FA
James House (CRM)	169	Delivered 2016	BA1 2BU
Piccadilly Place (CRM)	47	Delivered	BA1 6PL
Radway House (CRM)	5	Delivered	BA2 2UB
Widcombe Wharf (CRM)	40	Delivered	BA2 6AA
<b>Private Rented</b>			
The Quasar Building	48	Delivered 2016	BA1 1UA
1-3 James Street West	78	Delivered 2016	
1-3 Westgate Buildings	20	Delivered 2015/16	BA1 1EB
Broughham Hayes	104	Under Construction	BA2 3GF
<b>Total</b>	<b>1494</b>		
<b>Private Rented (consented, not yet delivered)</b>			
Weirside Court	32	Permitted 2016	BA2 1AZ
Bath Sea Cadet Corps	18	Permitted 2016	BA2 6PX
Former St. Johns School	183	Permitted 2016	BA2 4EZ
<b>Total</b>	<b>1,682</b>		

### 3.3.2 Bath Spa University

The former Bath School of Art, Bath Spa University, was granted university status in 2005. The University has two main campuses:

- Newton Park is the largest of the main campus sites and is located approximately 6.5km west of the city.
- Sion Hill campus is situated in the residential Lansdown district of Bath on the north edge of the city but within walking distance of the city centre, the campus undergone significant refurbishment to its facilities.

Other teaching centres are located across Bath at the Circus, Burdall's Yard and Ashman's Yard.

The 2012 Bath Spa Newton Park Campus Masterplan<sup>16</sup> proposed to enhance the offer to students by provision of better academic, social and residential facilities and did not propose to expand the campus. The masterplan included an assessment of capacity and requirements for the university in the long term to 2030. The plan envisaged increasing the number of bed spaces on the campus from 322 to 1000. Progress toward this goal has been made with the recent delivery of nine, 3-storey blocks which brings the total number of student bedspaces on campus to 868.

Bath Spa University currently occupies five different sites for off-campus student accommodation in Bath. As in the University of Bath, these include directly managed, partnership and private sector PBSA arrangements. These provide a total of approximately 1,405 student bedrooms in the city. Table 5 below shows the location of Bath Spa University's student accommodation sites.

**Table 5: Bath Spa University accommodation<sup>17</sup>**

Off Campus Sites	Beds	Planning Status	Postcode
<b>Accommodation (City Centre) Directly Maintained</b>			
Bankside House	43	Delivered	BA1 2SG
Green Park House	461	Construction Completed September 2016	BA2 5EH
<b>UNITE- Managed Accommodation (City Centre)</b>			
Charlton Court	295	Delivered	BA2 3ED
Waterside Court	316	Delivered	BA2 3ED
<b>CRM- Managed Accommodation (City Centre)</b>			
Twerton Mill	277	Construction Completed September 2015	BA2 1EW
<b>Private Rented</b>			
Homestay Units	13	Delivered	Various
<b>Total</b>	<b>1,405</b>		

<sup>16</sup> Bath Spa University, Newton Park Campus Masterplan: Revision 2, April 2012

<sup>17</sup> <http://www.bathspa.ac.uk/university-life/accommodation/our-accommodation>

### 3.3.3 Private Sector PBSA

Private sector PBSA developers demonstrate a sustained interest in delivering student accommodation in Bath city centre, although two recent applications were refused permission. The first in 2015 sought to develop PBSA with 394 bedspaces, the second in 2016 sought to develop PBSA with 178 bedspaces. Both of these applications were refused for design reasons, notably the scale massing and height of the proposed buildings. A further application for was submitted in August 2016 seeking to develop PBSA close to the city centre with 115 student bedspaces, this application is currently under consideration.

## 4 Review of Policies Introduced in 2013

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### 4.1 Article 4 Direction and SPD

The Article 4 Direction and subsequent Houses in Multiple Occupation in Bath SPD adopted 2013 sets out the council approach to the distribution and dispersal of HMOs.

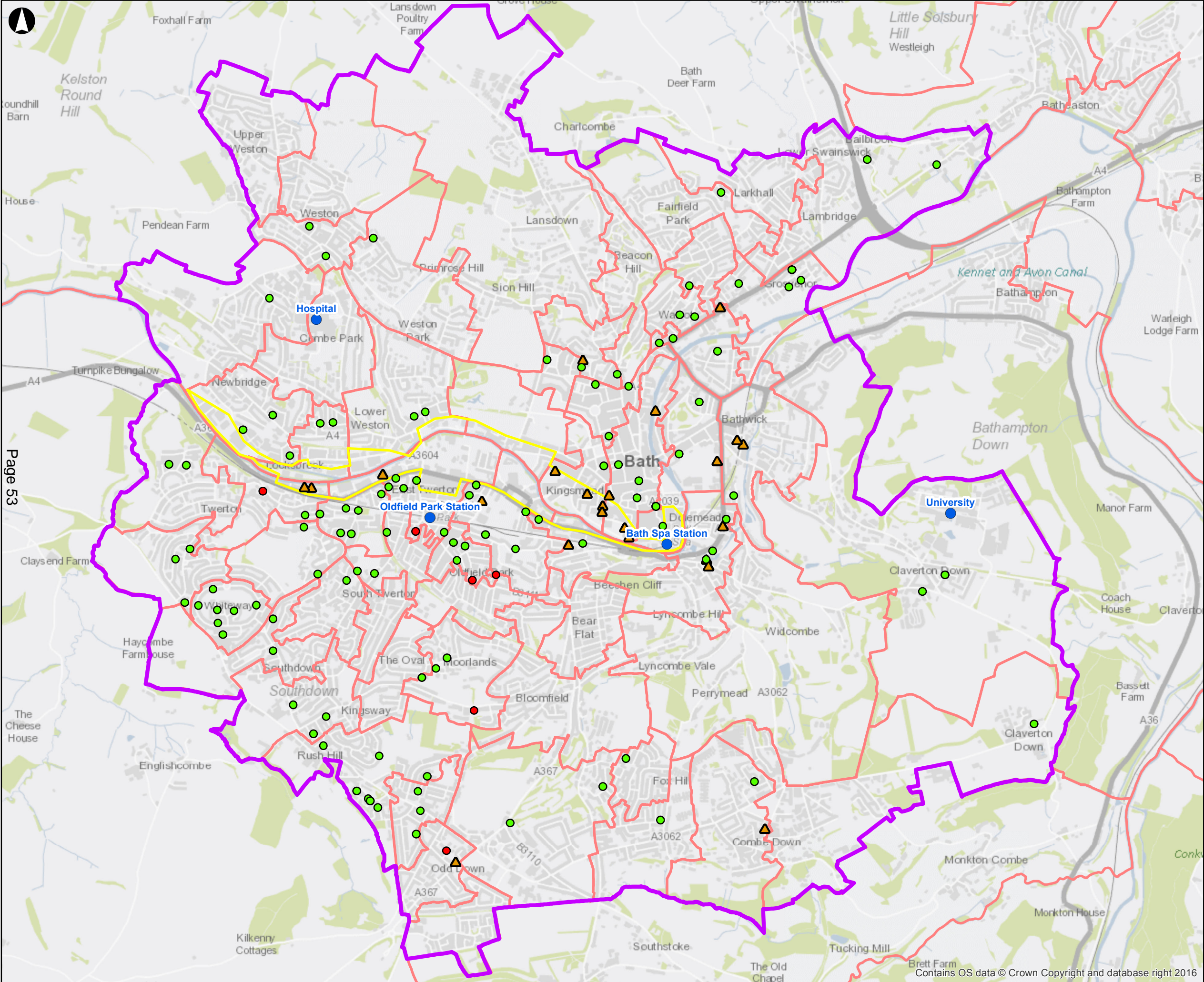
Since the introduction of the Article 4 Direction there have been 142 planning applications for change of use to HMOs. 134 applications have been granted planning permission and 8 of the applications have been refused.

Four of the eight refused planning applications were refused directly because they were contrary to the SPD and Stage 2 assessment, whereby the number of HMOs were above the above the threshold in the immediate 100m around the property.

The distribution of HMO properties granted or refused planning permission in Bath is shown in Figure 3 below. Figure 3 clearly shows that applications for HMOs are dispersed across the city and that no one area has experienced a focused growth in the number of HMOs.

In assessing the effectiveness of the Article 4 direction and SPD threshold policy, 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. Therefore, the extent of the policy impact may be underestimated by virtue of this 'hidden' effect which is challenging to capture in data terms.





- Legend**
- Bath City boundary
  - Riverside Enterprise Area
  - LSOA Boundaries
  - Planning Granted 2012-2017
  - Planning Refused
  - ▲ PBSAs

P0	2016-11-03	BS	BS	BS
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Issue	Date	By	Chkd	Appd

0 335 670 1,340 Metres

ARUP

Client	
Bath & North East Somerset Council	
Job Title	
B & NES HMO SPD Review & Options Analysis	
Planning Application for HMO's Granted/Refused	
Scale at A3	
1:25,000	
Job No	Drawing Status
252228-00	Preliminary
Drawing No	Issue
001	P0



## 4.2 Additional Licensing

The HMO Licensing Update Report to the Housing & Major Projects Policy Development & Scrutiny Panel (January 2015)<sup>18</sup> identified a number of key outcomes from the scheme. These included:

- 992 licensable HMOs identified of which 87% did not meet the licensing standard and 29% were prioritised for additional enforcement action;
- 43% of HMOs which did not meet the licensing requirements have had remedial works completed. The remainder will be followed up when the time allowed to complete works expires; and
- A survey carried out in September 2014 which indicated that 46% of HMO licence applicants felt that HMO licensing had increased their understanding of safety requirements for HMOs

All of the HMOs identified within the scheme area have been inspected and required improvement measures have been communicated to the 888 applicants for licences. The scheme was considered to have resulted in additional protection of approximately 4,000 of Bath's tenants. The key statistics for the Licensing scheme are shown in in Table 6 below.

**Table 6 - Additional HMO Licensing Information 2014**

Applications received	1050
Applications withdrawn	49
Licences revoked	7
Applications for properties which have since changed owners	40
Additional HMO licences issued or due to be issued	992
Additional licence holder applicants	888
Most HMO licences likely to be held by a licence holder	15
Limited companies applying to become licence holders	71
Letting agents applying to become licence holders	9
Licensable HMOs not meeting licensing standard at time of inspection	87%
Proportion with managers named on the licence	45%

Licensing continues to be a resource intensive and administratively complex process. The main challenges are:

- Inspecting all the properties up-front prior to issuing licences.

To date Housing Services have conducted both initial full inspections of all properties where applications have been received and have undertaken compliance revisits where required.

<sup>18</sup> The HMO Licensing Update Report to the Housing & Major Projects Policy Development & Scrutiny Panel (January 2015)

- Processing of applications, payments and subsequent drafting, checking and serving of proposed and final licences.

The HMO Licensing Update Report identifies that at the time of writing Housing Services had processed all applications, outstanding payments had been received and all licences would be issued by mid-2015.

The report highlights the next phase of the scheme would be to identify any remaining unlicensed HMOs and follow up actions to check and enforce licence conditions.

### 4.3 Data Challenges

This review of the HMO policies has revealed a number of challenges that relate to collecting accurate data with which to monitor HMO distribution. The issue of data quality was highlighted in particular through the stakeholder workshop. Three main challenges emerged:

- “Hidden” data
- Data sharing and updating
- Geographies

Each of these is set out in more detail below.

#### 4.3.1 “Hidden” Data

We know that the data on the number and distribution of HMOs in Bath is imperfect. Bath is no different than other UK cities in this respect. Data is mainly collected where there is a clear statutory need, meaning that many HMOs are “hidden”. Unlicensed HMOs, for example, are often not represented in the data collected. Attendees at the stakeholder workshop expressed concern that HMOs operating without a licence are not being reported by neighbours nor identified by B&NES, resulting in an underestimated figure of total HMOs within Bath. Ensuring all ‘hidden’ HMOs are identified is a challenge for future data collection. Thorough collection and verification of the number and location of HMOs would likely be a costly and time-consuming exercise, requiring extensive street by street survey. However, there are examples of local authorities beginning to use predictive analytics to predict, based on machine learning of different criteria, which properties are likely to be HMOs. In 2015, the London Borough of Hammersmith and Fulham approved the recruitment of an additional housing officer to follow up on the additional HMOs they estimated required licenses, based on predictive analytics<sup>19</sup>.

#### 4.3.2 Data Sharing and Updating

The collection of HMO data needs to be effectively shared between the housing and planning teams at B&NES. Currently, the HMO licensing data is used to update the extent of the 25% threshold every 6 months. For the development

<sup>19</sup> <http://democracy.lbh.gov.uk/ieListDocuments.aspx?CIId=439&MID=4662#AI36209>

control planners, this means they may be basing decisions for HMO applications on potentially outdated information. Improved sharing of HMO data and more regular updates could result in improved application of the SPD policies.

### 4.3.3 Geographies

The HMO data is currently mapped within census output area boundaries and it is the percentage within these boundaries that informs the application of the SPD threshold. A challenge faced by this approach is that the census output areas do not necessarily correlate with the lived geographies of residents and therefore may not reflect their perception of HMO concentration. For example, while they may physically reside in an output area of 15% HMO concentration, they may regularly spend more time, travel through or identify with a neighbouring output area that is over the 25% threshold. As such, their perception of HMO concentration may not be reflective of the data and vice versa. This data challenge can result in contention and objection over planning decisions, even when using the SPD two stage policy.

## 5 Options Development & Analysis

Following a review of the existing HMO policies in Bath, various policy options to address the existing challenges of HMOs were evaluated using case studies of policies implemented in other local authorities, a stakeholder workshop event in Bath and input from other stakeholders. The options are also based on the best known available data. Of these options, seven were shortlisted for analysis on the basis that there is currently sufficient data and knowledge to undertake an assessment of their potential benefits and challenges. These options are also suited to delivery through the revised SPD. A further eight policy options were identified for which appropriate analysis would require the collection of further evidence that goes beyond the scope of this study. They are also options that are unlikely to be delivered through an SPD, offering a variety of alternative policy and regulatory mechanisms to be implemented alongside a revised SPD.

An overview of these policies and their potential risks in Chapter 7 provides some context to inform the decision to investigate these options in more detail.

The shortlisted options can be categorised as either threshold policies or additional SPD policies. Of the two threshold policies analysed, only one of these (or neither) could be taken forward to replace the existing 25% threshold policy of the SPD. The five other options represent policy measures that could be adopted through the SPD, either in isolation or in tandem (they are not mutually exclusive). They are described and analysed in the following section.

### 5.1 Baseline Option: Do Nothing

This option would result in no changes to the existing HMO SPD and keep the current policy and regulatory framework for HMOs as it currently stands in Bath. As per the existing SPD, a monitoring and review system would remain so that future revision of the policy is not ruled out by this option.

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	No resources required to implement.  System already established and understood by stakeholders.	May receive criticism from residents and other stakeholders who feel the SPD is currently ineffective.  Potential increase in dealing with complaints about HMO concentration.
<b>Students</b>	No risk of reduced growth in HMO supply through increased regulation.	
<b>Other HMO residents</b>	No risk of reduced growth in HMO supply through increased regulation.	

<b>Universities</b>	No risk of reduced growth in HMO supply through increased regulation.  Reduced risk of policies and regulation which will inhibit their growth strategy and competitiveness.	
<b>Local residents</b>		Feel that concerns are not being addressed by their council.  Increased HMO concentrations in some areas.  Potential for a revised SPD to produce policies/strategies that will be to their benefit e.g. reduced thresholds and increased regulation.
<b>Local employers</b>	No risk of reduced growth in HMO supply through increased regulation.	Possible missed opportunity that policies introduced through a revised SPD could be beneficial to this group.
<b>HMO Landlords</b>	Reduced risk of additional regulation to HMOs, ability to develop and let out HMOs not subject to further restriction.  Understand the current system.	Possible missed opportunity that policies introduced through a revised SPD could be beneficial to this group.
<b>PBSA Developers</b>	Indicates that growth of student population is welcomed or at least not going to be subject to further restriction.	Possible missed opportunity that policies introduced through a revised SPD could be beneficial to this group (such as increased HMO regulation) which would increase need/demand for PBSA.
<b>Estate Agents</b>	Clients understand current system.  Bath not seen as highly restrictive environment for investor clients.	Potential for increased concentration of HMOs in some areas, increasing price imbalances and difficulty in selling properties in some areas.

It is worth noting that this review has identified some areas of policy wording in the current SPD which could be clearer or more concise, particularly in relation to change of use applications involving Sui Generis large HMOs (more than 6 people). It is recommended that under the 'Do Nothing' option, the current SPD undergoes a revised wording to clarify and strengthen the position taken in the existing policy.

## 5.2 Threshold Policies

### 5.2.1 Option 1: Reduce Threshold Across Bath

This policy option would lower the existing HMO threshold policy from 25% to 10%, 15% or 20%. This is informed by the application of stricter thresholds in other local authorities and the advice of the National HMO Lobby who suggest a 10% threshold. Maps of these three thresholds are provided in Appendix B.

#### Case Study: Durham County Council

Durham has areas of the city such as ‘the Viaduct’ area which it estimates 90% of dwellings are HMOs. The council has recently implemented (September 2016) an Article 4 direction and a 10% HMO threshold city-wide, in which any applications for a new HMO will not be permitted if more than 10% of the total number of properties within 100m of the site are already in use as HMOs. Meanwhile, Durham University is keen to achieve 70% of all students living within their student accommodation, which is currently based on a collegiate model.

#### Option Analysis:

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	<p>Seen to be responding to resident concerns of high HMO concentration.</p> <p>Possible reduction in complaints related to high HMO concentration.</p> <p>Little resource required to implement - modification of existing SPD policy.</p>	<p>Possibility of additional appeals and the resources required for these.</p> <p>Resource required to populate updated threshold data/maps.</p> <p>Resources needed to communicate this threshold change to stakeholders.</p> <p>Ensuring thresholds are accurate and informed by high quality data, would require resources to identify ‘hidden’ HMOs.</p> <p>Potential reduction in affordable housing available for housing benefit tenants and resulting pressure on council services.</p>
<b>Students</b>	<p>May encourage HMO development in alternative areas, providing more choice for prospective tenants.</p>	<p>Reduced growth in supply of HMOs resulting in more competitive rental market.</p> <p>May be forced to find affordable accommodation in more peripheral areas, with poor connectivity or increased transport costs.</p>

<b>Other HMO residents</b>	May encourage HMO development in alternative areas, providing more choice for prospective tenants.	<p>Reduced growth in supply of HMOs resulting in more competitive rental market and potential rental inflation.</p> <p>May be forced to find affordable accommodation in more peripheral areas, with poor connectivity or increased transport costs.</p> <p>Potential reduction in affordable housing available for housing benefit tenants.</p>
<b>Universities</b>	Possible reduction in resources required to deal with resident complaints resulting from high HMO concentrations.	<p>Reduced growth of HMO supply resulting in more competitive rental market and increased costs for students, may deter potential students from attending university in Bath.</p> <p>Increased pressure to develop on-campus accommodation or university owned PBSA in line with growth.</p> <p>Increased resources needed for dealing with student welfare related to accommodation problems/cost.</p>
<b>Local residents</b>	<p>Feel that concerns are being addressed.</p> <p>Additional controls to ensure a balanced community.</p>	<p>May result in HMOs being developed in new/less concentrated areas, leading to wider spread of problems associated with high HMO density.</p> <p>Increased HMOs outside of Bath in areas like Keynsham.</p> <p>Little impact on areas already over the new threshold.</p>
<b>Local employers</b>	A more even and consistent HMO dispersal across the city may result in more balanced rental costs, making it easier to attract new employees.	<p>Increased rent due to limited HMO supply, increasing costs for low-wage/entry level workers.</p> <p>May lead to perception that HMOs aren't welcome in Bath, deterring workers from relocating to the city.</p> <p>May have difficulty attracting and housing key workers in the city.</p>
<b>HMO Landlords</b>	Demand and therefore rent may increase in popular areas where there	Increased constraints on HMO development, particularly in areas with already high HMO concentration.



	are few opportunities for new HMOs to be developed.	
<b>PBSA Developers</b>	More regulation of HMO development may increase demand for PBSA.	May deter PBSA developers as they perceive Bath as a restrictive development environment/anti-student sentiment.
<b>Estate Agents</b>	Potentially more diverse and geographically spread HMO offering, opening new markets.	Investor clients may be put off by perception of 'red tape', making it difficult to sell properties to potential HMO landlords.

In assessing this option, it is worth noting the impact that a lowered threshold may have on the figures of projected HMO need in Chapter 3. Reducing the maximum capacity of HMOs in Bath is likely to result in a higher requirement for PBSA and institutional accommodation in the long term. The latter in particular has already been set out in the two university masterplans, so if this option is selected, it would be advisable to liaise with the universities about the potential for increased on-campus provision beyond that set out in their current strategies. The Durham case study is a notable departure from Bath in that Durham University operates a traditional collegiate model which supports institutional housing of students and rejects private sector PBSA. If the Bath universities are not willing or able to increase their accommodation portfolio beyond existing commitments, the reduction of the HMO threshold becomes reliant upon PBSA developers or areas outside of Bath to meet the HMO shortfall and accommodate the universities' projected future student population.

## 5.2.2 Option 2: Multiple thresholds

This option would apply variable HMO thresholds across Bath, so that some areas are subject to a stricter threshold than others. This aims to create a more even distribution of HMOs across the city, so that HMO development is directed to areas with low concentrations while protecting those with high concentrations from further intensification.

### Case Study: Belfast City Council

In Belfast, three policies are in place to control the spatial distribution of HMOs in the city, through the following designations:

HMO 1 – HMO Policy Areas: Permission only granted where the number of HMOs will not exceed 30% of all dwelling units within that policy area.

HMO 3 – HMO Development Nodes: Permission granted provided it does not include HMO development at ground floor level

HMO 5 – Outside Policy Areas and HMO Development Nodes: Permission granted where the HMOs will not exceed 10% of dwelling units on that road or street. Where a road or street is over 600m long, this applies to 10% of units within 300m either side of that proposal.

### Option Analysis:

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	<p>Seen to be responding to resident concerns of high HMO concentration.</p> <p>Allows for identification of some areas as suitable for HMO growth, positive planning approach.</p>	<p>Possibility of additional appeals and the resources required for these.</p> <p>Resource required to populate updated threshold data/maps.</p> <p>Resources needed to communicate this change to stakeholders introduce new policy to SPD.</p> <p>Could be confusing to stakeholders and difficult to justify different thresholds.</p> <p>Ensuring thresholds are accurate and informed by high quality data, would require resources to identify 'hidden' HMOs.</p>

<b>Students</b>	May encourage HMO development in alternative areas, providing more locational choice for prospective tenants.	Increased imbalance in rental market, due to differing supply and demand across city.  HMO growth areas (with more lenient threshold) may not be where they want to live, or have the desired level of public transport/connectivity.
<b>Other HMO residents</b>	May encourage HMO development in alternative areas, providing more choice for prospective tenants.	Increased imbalance in rental market, due to differing supply and demand across city.  HMO growth areas (with more lenient threshold) may not be where they want to live, or have the desired level of public transport/connectivity.
<b>Universities</b>	Possible reduction in resources required to deal with resident complaints resulting from high HMO concentrations in some areas.	Uneven rental market and location of low cost HMOs may deter potential students from attending university in Bath.
<b>Local residents</b>	Feel that concerns are being addressed.  Additional controls to ensure a balanced community.	May result in HMOs being developed in new/less concentrated areas, leading to wider spread of problems associated with high HMO density.  May object to the threshold given to their area, as higher thresholds will be perceived as encouraging HMOs to locate there. Perception as unfair.
<b>Local employers</b>	A more even and consistent HMO dispersal across the city may offer more balanced rental costs across the city, providing more options for employees looking to rent.  Ability to set out HMO growth areas to serve key workers near suitable locations e.g. hospital.	Increased imbalance in rental market for workers, due to differing supply and demand across city.  HMO growth areas may not be well connected or desirable to workers, deterring them from locating to Bath.
<b>HMO Landlords</b>	Demand and therefore rent may increase in popular areas where there are few	Increased constraints on HMO development.

	opportunities for new HMOs to be developed.	HMOs in lower threshold areas may see increased supply and therefore lower rent.  Might be confusing for planning applicants.
<b>PBSA Developers</b>	More regulation of HMO development may increase demand for PBSA.	May deter PBSA developers as they perceive Bath as a restrictive development environment/anti-student sentiment.
<b>Estate Agents</b>	Potentially more diverse and geographically spread HMO offering, creating more sustainable market.	May be confusing for clients aiming to invest in HMO.  Investor clients may be put off by perception of 'red tape', making it difficult to sell properties to potential HMO landlords.

The advantage of this change to the threshold policy is its flexibility, in which the threshold will be dependent on local context. For example, areas of HMO growth could be set out near locations likely to be favoured by key workers, such as near the hospital or close to the city centre. As such, it can be considered a less prohibitive approach than a blanket threshold application and does not universally discriminate against all HMO residents. However, its key challenge is justifying the threshold in each location so that it is not perceived by residents as favouring or protecting some areas at the expense of others. The effect of the policy on the HMO rental market may also be unpredictable, while the complexity of variable thresholds may be difficult to communicate to stakeholders.

### 5.2.3 Option 3: Stage 1 Threshold Approach

This policy option would revise the existing threshold approach to only apply the Stage 1 test, in which the application would be assessed against the threshold within the census output area. If the proposed HMO would be in a census output area currently exceeding that threshold (e.g. over 25% of properties are HMOs as per the current policy), the application would be refused. The aim of this policy is to prevent **any** further concentration of HMOs within areas above the designated threshold. It therefore differs from the current approach, as the two-stage test may allow for a proposed HMO provided it is not located within a 100m radius of properties exceeding the threshold.

#### Option Analysis:

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	<p>Requires little additional resource to implement; modification of SPD.</p> <p>Seen to be responding to resident concerns of high HMO concentration.</p> <p>Will prevent any further concentration in areas above prescribed threshold.</p>	<p>Possibility of additional appeals and the resources required for these.</p> <p>Resources needed to communicate this change to stakeholders.</p> <p>Lack of flexibility, allows no growth whatsoever in areas already above threshold.</p> <p>Prevents growth in supply of HMOs for social housing tenants in high concentration areas.</p>
<b>Students</b>	<p>May encourage HMO development in alternative areas, providing more choice for prospective tenants.</p>	<p>Prevents growth of HMO supply in high concentration areas resulting in more competitive rental market.</p>
<b>Other HMO residents</b>	<p>May encourage HMO development in alternative areas, providing more choice for prospective tenants.</p>	<p>Prevents growth of HMO supply in high concentration areas resulting in more competitive rental market.</p> <p>Prevents growth of HMO supply for social housing tenants in high concentration areas.</p>
<b>Universities</b>	<p>Possible reduction in resources needed in dealing with resident complaints.</p>	<p>Prevents growth of HMO supply in high concentration areas resulting in more competitive rental market and</p>

		increased costs for students, may deter potential students from attending university in Bath.
<b>Local residents</b>	<p>Feel that concerns are being addressed, residents in high concentration area likely to feel they are protected from further increases.</p> <p>Ensure a more balanced community.</p>	May result in HMOs being developed in new/less concentrated areas, leading to wider spread of problems associated with high HMO density.
<b>Local employers</b>	A more even and consistent HMO dispersal across the city may offer more balanced rental costs across the city, providing more options for employees looking to rent.	<p>Could increase rent in highly concentrated HMO areas due to increased constraints on development.</p> <p>May lead to perception that HMOs aren't welcome in Bath, deterring workers from relocating to the city.</p>
<b>HMO Landlords</b>	Demand and therefore rent may increase in popular areas where there are few opportunities for new HMOs to be developed.	Increased constraints on HMO development, particularly in areas with already high HMO concentration.
<b>PBSA Developers</b>	More regulation of HMO development may increase demand for PBSA.	
<b>Estate Agents</b>	Potentially more diverse and geographically spread HMO offering, creating new markets.	Investor clients may be put off by perception of 'red tape', making it difficult to sell properties to potential HMO landlords.

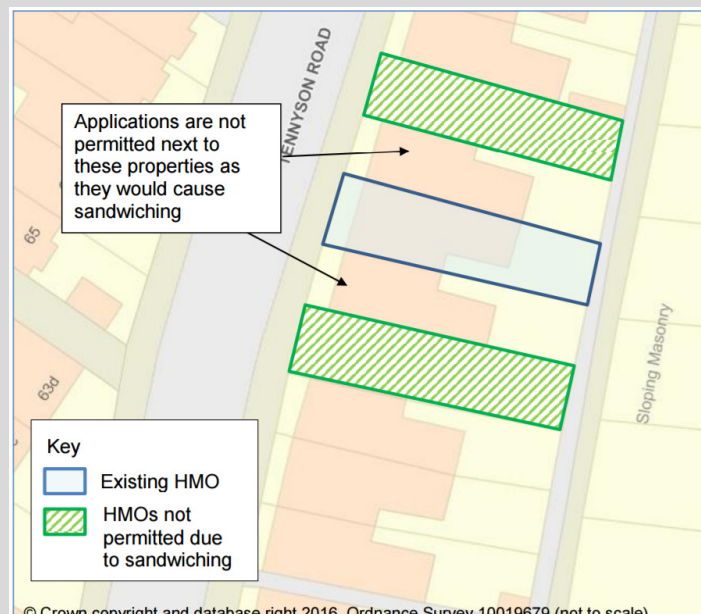
## 5.3 Additional Policies

### 5.3.1 Option 4: HMO Sandwich Policy

This policy option would introduce an additional criteria in determining future HMO applications, which states that a proposed HMO will be refused if it would result in a single occupancy dwelling being located between two HMOs. It aims to prevent the potential for negative impacts upon an existing dwelling due to this sandwiching effect. It also aims to ensure there is balance at street level by preventing a continuous terrace of HMOs from occurring. It is worth noting that there are likely to be complications in applying this policy in locations where the definition of ‘sandwiching’ may be less clearly defined than in the Southampton City Council case study below. For example, there may be challenges to its application on an end-of-terrace or corner property. The mechanism itself would therefore require careful consideration or a caveat that certain situations would be determined on a case-by-case basis (as in Southampton). This does result in some uncertainty in the policy and potential for challenge through appeal.

#### Case Study: Southampton City Council

In 2016, Southampton City Council introduced the sandwich criteria to their HMO SPD. This was adopted in response to the issue being raised in a review of the existing SPD. It states that within this policy, subdivided units are considered on a case by case basis. The sandwich policy is applied throughout the city and determined on the basis of data obtained through mandatory licensing and the additional licensing of eight city wards. Much of the data used is sensitive and not made publicly available prior to applications being made.





**Option Analysis:**

<b>Stakeholder</b>	<b>Positive Impacts</b>	<b>Challenges</b>
<b>B&amp;NES Council</b>	<p>Requires little additional resource to implement; modification of SPD.</p> <p>Possible reduction in noise, waste or anti-social behaviour complaints.</p> <p>Seen to be responding to resident concerns of high HMO concentration</p>	<p>Possibility of additional appeals and the resources required for these.</p> <p>Resources needed to communicate this change to stakeholders.</p> <p>Resource required to introduce new policy to SPD.</p>
<b>Students</b>	<p>Possible reduced potential for conflict with non-student neighbours.</p> <p>May encourage HMO development in alternative areas, providing more choice for prospective tenants.</p>	<p>Reduced growth of HMO supply in some areas resulting in more competitive rental market.</p>
<b>Other HMO residents</b>	<p>Possible reduced potential for conflict with neighbours.</p> <p>May encourage HMO development in alternative areas, providing more choice for prospective tenants.</p>	<p>Reduced growth of HMO supply in some areas resulting in more competitive rental market.</p>
<b>Universities</b>	<p>Possible reduction in resources needed in dealing with resident complaints.</p>	<p>Reduced growth of HMO supply in some areas resulting in more competitive rental market and increased costs for students, may deter potential students from attending university in Bath.</p>
<b>Local residents</b>	<p>Feel that concerns are being addressed.</p> <p>Safeguarded against being solely neighboured by HMOs.</p> <p>Ensure a more balanced community.</p>	<p>May result in HMOs being developed in new/less concentrated areas, leading to wider spread of problems associated with high HMO density.</p> <p>May affect ability to sell property.</p>
<b>Local employers</b>	<p>A more even and consistent HMO dispersal across the city may offer more balanced rental costs across the city, providing more options for employees looking to rent.</p>	<p>Could increase rent in highly concentrated HMO areas due to increased constraints on development.</p> <p>May lead to perception that HMOs aren't welcome in Bath, deterring workers from relocating to the city.</p>

<b>HMO Landlords</b>	Demand and therefore rent may increase in popular areas where there are few opportunities for new HMOs to be developed.	Increased constraints on HMO development, particularly in areas with already high HMO concentration.  May be considered complex and confusing.
<b>PBSA Developers</b>	More regulation of HMO development may increase demand for PBSA.	
<b>Estate Agents</b>	Potentially more diverse and geographically spread HMO offering, creating more sustainable market.	Investor clients may be put off by perception of 'red tape', making it difficult to sell properties to potential HMO landlords.  May be considered complex and confusing.

### 5.3.2 Option 5: Change from area analysis to street-by-street analysis

This option would amend the way that the threshold approach in the existing SPD is currently applied by introducing a new method for analysing HMO concentration and determining applications. It would apply the threshold at street level, replacing the current two-stage approach based on census output area HMO concentration. Granting permission for a proposed HMO will be based therefore on the quantity of HMOs already on that street.

#### Case Study: Oxford City Council (2013)

Policy HP7 in the Oxford City Council Sites and Housing Plan (2013) applies a universal threshold of 20%. This is assessed according to the proportion of buildings within 100m of street length either side of the application site, so that if over 20% of buildings within this remit are in full or partial use as a HMO, the application is refused. An illustration of how this is applied is below:



(source: Oxford City Council, 2013).

#### Option Analysis:

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	Seen to be responding to resident concerns of high HMO concentration at a localised level.	Possibility of additional appeals and the resources required for these.

		<p>Considerable additional resource required to populate updated threshold data/maps at more detailed level.</p> <p>Resources needed to communicate this change to stakeholders and introduce new policy to SPD.</p>
<b>Students</b>	May allow for increased supply of HMOs in popular, highly concentrated HMO areas due to some individual streets which haven't reached threshold of wider area.	May result in further restrictions in some areas, resulting in a perceived reduction of choice.
<b>Other HMO residents</b>	May allow for increased supply of HMOs in popular, highly concentrated HMO areas due to some individual streets which haven't reached threshold of wider area.	May result in further restrictions in some areas, resulting in a perceived reduction of choice.
<b>Universities</b>	Street level analysis may allow for growth of HMOs compared to the blanket threshold application within a census output area.	Possible increase in resident objections to student HMOs in some areas.
<b>Local residents</b>	<p>Planning applications determined on the basis of street level information, so more responsive to specific local context.</p> <p>Potential for more balanced communities.</p>	<p>May allow for approval of applications in wards/census output areas with high HMO growth, leading to objection.</p> <p>Encourages HMO development in streets under threshold.</p> <p>Relies on existence of detailed and high quality street level data.</p> <p>Doesn't reduce existing issues in streets exceeding their threshold.</p>
<b>Local employers</b>	Street level analysis may allow for growth of HMOs compared to the blanket threshold application within a census output area.	<p>Increased imbalance in rental market for workers, due to differing supply and demand across city.</p> <p>HMO growth areas may not be well connected or desirable to workers, deterring them from locating to Bath.</p>

<b>HMO Landlords</b>	Allows for development opportunities in streets that might otherwise be off-limits under a larger scale threshold approach.	Could be confusing for applicants and increases planning uncertainty if data not available or up to date.
<b>PBSA Developers</b>		May deter PBSA developers as they perceive Bath as a restrictive development environment/anti-student sentiment.
<b>Estate Agents</b>	Potential to increase investment value of properties in streets that are below HMO threshold but in high concentration HMO areas.	May be confusing for clients aiming to invest in HMOs and may deter them from buying in Bath.

### 5.3.3 Option 6: Apply threshold rules to PBSA

This option will extend the existing (or revised) threshold policy to PBSA development as well as HMOs, to ensure that PBSA proposed in areas with high HMO concentrations is subject to the two-stage test. This aims to recognise the cumulative impact that PBSA can have alongside HMOs in concentrated areas.

#### Option 6 Analysis:

Stakeholder	Positive Impacts	Challenges
<b>B&amp;NES Council</b>	Seen to be responding to resident concerns about PBSA.  Little resource required to implement; modification of existing SPD.	Possibility of additional appeals and the resources required for these.  Additional resource required to populate updated threshold data/maps at more detailed level.  Resources needed to communicate this change to stakeholders.
<b>Students</b>		Reduced availability of PBSA resulting in increased rent.  Controlled supply of both PBSA and HMOs raising overall housing costs in Bath for students.  PBSA may be located in areas that aren't desirable for students or have poor connectivity.

<b>Other HMO residents</b>	Reduces likelihood of living near a PBSA unit.	If PBSA availability or affordability decreases, more pressure on HMO market, resulting in higher rental costs and more competition for non-students also.
<b>Universities</b>	<p>Potential for reduced complaints for residents regarding PBSA.</p> <p>More demand for on-campus or existing university owned accommodation, increasing rental income.</p>	<p>Increased constraint to develop off-campus PBSA independently or with a partner.</p> <p>Increased pressure to develop on-campus PBSA or in new locations.</p> <p>Increased resources required to deal with student welfare related to accommodation costs.</p> <p>Constraints to growth of universities if PBSA cannot be developed, and poor reputation of university if PBSA has to be located in peripheral, poorly connected areas.</p>
<b>Local residents</b>	<p>Feel that concerns about PBSA are being addressed.</p> <p>Safeguard against PBSA being developed in areas of high HMO concentration.</p>	<p>PBSA may be developed in new areas, spreading the issues associated with it across the city.</p> <p>Reduced supply of PBSA supports further HMO development.</p>
<b>Local employers</b>	Possibility of improved public transport provision if PBSA developed in more peripheral areas.	Increased pressure on HMO market driving up rents for non-students and potential to deter workers from locating in Bath.
<b>HMO Landlords</b>	<p>Increased demand for HMOs due to reduced growth of PBSA provision, allowing for increased rent.</p> <p>Potential for PBSA development in peripheral areas to create new student neighbourhoods and increase investment potential for HMOs.</p>	Perception of Bath as anti-student.
<b>PBSA Developers</b>	PBSA developments already established in areas which will now be above the accepted threshold will have exclusivity and ability to charge higher rent.	More restrictive development environment may deter PBSA investors in Bath.

	May open up new areas of the city for PBSA development, with lower land value, therefore reducing costs.	PBSA development directed to less popular student areas, reducing rent potential.
<b>Estate Agents</b>	<p>Potential for increased investment value in new areas of PBSA development due to 'student area' status, attracting HMO and commercial investors.</p> <p>Increased demand on the HMO market raising rental and property values.</p>	

### 5.3.4 Option 7 Design Criteria for PBSA

This policy aims to guide the development of PBSA to minimise its negative impacts and ensure high quality accommodation. It sets out criteria against which B&NES will determine PBSA applications. Developers will be required to demonstrate they meet these criteria, which may include elements such as design, location or management. As per suggestions made in the SPD workshop, this could also potentially include a criteria related to affordable rent for students to encourage selection of PBSA over HMOs.

This policy approach could be situated within the policies related to design in the Placemaking Plan, such as Policies D1-D6 which set out the requirement by B&NES for development to be of high quality design which contributes positively to its locality and does not compromise the amenity of neighbouring occupiers.

#### Case Study - Belfast City Council

Belfast City Council has ambitions to become a 'learning city' and expand its higher education sector, particularly within the international market. It has identified that it has 50% less PBSA than the average UK city and aims to encourage PBSA development alongside HE growth.

The adoption of Policy HMO 7 – Large Scale Purpose Built Accommodation sets out five criteria which must be met by proposed PBSA development. These include parameters of scale, location, management and design. This policy is intended to ensure that PBSA is regulated and of a high quality.

While it can be viewed as providing greater planning certainty to prospective PBSA developers, this is dependent on the criteria, which could also serve to create an environment that is viewed by developers as overly-prescriptive.



**Option Analysis:**

<b>Stakeholder</b>	<b>Positive Impacts</b>	<b>Challenges</b>
<b>B&amp;NES Council</b>	<p>Seen to be responding to resident concerns about PBSA.</p> <p>Positive planning approach to PBSA development, setting clear agenda for PBSA developers and increasing planning certainty for their applications.</p> <p>Additional guidance for planning officers in determining applications.</p> <p>Precedent for policy already set out in Placemaking Plan.</p>	<p>Considerable additional resource required to create criteria based policy for SPD.</p> <p>Residents may perceive this approach as encouraging PBSA.</p> <p>Potential for appeals and the cost/resources required for these.</p>
<b>Students</b>	<p>Assurance of better quality PBSA.</p> <p>Student interests could be protected through policy, e.g. through requirement for affordable rooms.</p>	<p>May deter PBSA developers and result in increased pressure on existing PBSA and HMOs.</p>
<b>Other HMO residents</b>	<p>More attractive and affordable PBSA could reduce pressure on HMO market as student preference for PBSA increases.</p>	<p>May deter PBSA developers and result in increased pressure on HMOs.</p>
<b>Universities</b>	<p>Assurance of better quality PBSA for students which can increase Bath's reputation as a university city.</p> <p>May reduce the number of resident complaints regarding PBSA.</p>	<p>Increased development criteria to meet if investing in their own PBSA.</p> <p>May deter PBSA developers and result in reduced growth of PSBA provision, limiting university growth and reputation.</p>
<b>Local residents</b>	<p>Ensure PBSA developments meet a high standard and have greater regulation.</p> <p>Attractive and affordable PBSA could reduce demand for HMOs.</p> <p>Criteria relating to location and management could be particularly effective in addressing resident concerns.</p>	<p>May deter PBSA developers and result in increased pressure on existing PBSA and HMOs.</p> <p>Doesn't directly address HMO concentration issue.</p> <p>If it does result in reduced demand for student HMOs, no guarantee that these return to family housing.</p>

<b>Local employers</b>	Increased PBSA development resulting in reduced pressure and rents in HMO market, encouraging workers into the city.	May deter PBSA developers and result in increased pressure on existing HMOs.
<b>HMO Landlords</b>	High quality PBSA could increase reputation of Bath as a university city, increasing student population and sustaining demand for HMOs.	Increased PBSA provision reducing demand for HMOs.  Requirement to upgrade HMOs to a quality that remains competitive with PBSA.
<b>PBSA Developers</b>	Provides greater guidance for developers and subsequently more planning certainty when developing a PBSA unit.  Shows willingness of council to support PBSA development.	Some criteria in the policy may deter PBSA developers due to resulting viability or cost issues.  May be seen as too prescriptive by PBSA developers.
<b>Estate Agents</b>	Potential for increased investment value in new areas of PBSA development due to 'student area' status, attracting HMO and commercial investors.	Reduced demand for HMOs as a result of increased PBSA development, lowering rental income and number of HMO investors in the city.  Reduced revenue in letting fees due to PBSA, which is generally rented direct.

## 5.4 Options Outside of SPD Revision.

The following policy options have been identified through the SPD review process as interventions that could be appropriate but that cannot be adequately assessed within the scope of this study, as they could not be implemented through the SPD. They will therefore need further data and information before decisions could be made to proceed with these options.

### 5.4.1 Additional Licensing

Subject to robust evidence base, this policy option would extend additional licensing to additional wards in Bath & North East Somerset. This policy option would extend additional licensing to the entire city of Bath. Currently, additional licensing is only applied to the area around Westmoreland, Oldfield and Widcombe. It extends the requirement for HMO licensing to any shared property with 3 occupants, as opposed to the mandatory scheme of 5 occupants. Through licensing, the council have an improved ability to monitor HMOs, ensure they are of high quality and enforce against those which aren't. It also provides more accurate data relating to the quantity and distribution of HMOs. In order to extend HMO licensing, additional information would be required on issues relating to the safety and management of HMOs and there would need to be a strong evidence

base and extensive consultation to justify introducing a further scheme. Changes are currently proposed to Mandatory licensing nationally, and it may be appropriate to wait until the impacts of this are understood before reviewing this further.

#### **5.4.2 Extension of the Article 4 Direction across B&NES**

This option would extend the Article 4 direction currently in place in Bath across the entire B&NES administrative boundary, meaning that planning permission would be required for all proposed conversions of a dwellinghouse to an HMO. A robust evidence base must justify an Article 4 Direction, so this option would require a baseline of HMO activity to be established across the whole authority. In accordance with Article 4 procedure, it would also require consultation and would only become operational a twelve months after the Direction is made. To establish the current scale of impact outside of the city boundaries it is recommended that HMO data is collated and analysed to determine the extent and degree of HMO activity, particularly in the district's secondary centres such as Midsomer Norton and Radstock.

#### **5.4.3 Further exploration of Local Plan policies to mitigate impacts of university growth on the wider city**

This option would introduce policies through the Local Plan review which could be used to set out a requirement for contributions from university growth through an S106 agreement. In line with national planning legislation<sup>20</sup>, these obligations would need to be directly related to the development, reasonable in scale and necessary to make the development acceptable in planning terms. As such, this option would require careful consideration of how contributions could be used to mitigate the impacts of student accommodation. Possibilities to be explored could include the provision of an HMO council officer or improved waste disposal services through an 'HMO Impact Fund' sourced by developer contributions.

#### **5.4.4 Delivery of HMOs through new development**

Through the Local Plan review, this policy option would adopt the approach used to set out requirements for affordable housing in development. It would require that new housing developments above a specified threshold in Bath must incorporate a percentage of purpose built HMOs. There doesn't appear to be a precedent for such a policy elsewhere in the UK, however as per affordable housing policy, it would require a considerable evidence base for justification. This sort of strategy could also be used to encourage development of entire schemes which would deliver specialised and affordable accommodation for key workers in Bath. Innovative solutions such as 'pop-up' pods for young workers could be encouraged on suitable sites in the city.

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<sup>20</sup> The Community Infrastructure Levy Regulations 2010

#### **5.4.5 Site allocation for PBSA**

This option would identify sites within Bath (and B&NES generally) to be allocated for PBSA development. The aim would be to provide planning certainty to PBSA developers while directing student accommodation development to areas which are deemed acceptable or suitable by the Council. The site allocations would need to be promoted through the statutory plan-making process and is therefore subject to the timescales of local development scheme. In B&NES, the Core Strategy is undergoing a review that commenced in November 2016, and will be published in Spring 2018. This could therefore offer an opportunity to introduce PBSA site allocations, however the timescale of this process makes it a long-term strategy in comparison to amending the SPD.

#### **5.4.6 Waste management improvements**

This option would aim to address one of the impacts of HMOs; poorly managed waste. During the stakeholder workshop, it was apparent that many residents experience issues with insufficient waste collection and poor waste facility provision in areas of high student and HMO concentration. This results in a degraded street scene and negative impacts for all residents. Addressing this issue would aim to improve the environment in those areas already with a high HMO concentration while potentially reducing public objection to proposed HMOs. Such improvements could include increasing the regularity of waste collection in HMO concentrated areas or special additional collections at the end of the university term, when large amounts of waste tend to accumulate as students move out. The costs to B&NES and sources of funding would need to be investigated.

#### **5.4.7 More investment in enforcement in the private rented sector**

This strategy would improve the safety and quality of HMOs which are not licensed and help identify unlicensed HMOs which are currently not licensed. This could help address some of the negative impacts of HMOs such as anti-social behaviour and poor quality housing while ensuring a more accurate understanding of the quantity and distribution of HMOs in the city. This option would require further analysis of the current costs and efficacy of licensing enforcement and the potential benefits of investing further resources.

#### **5.4.8 Expand Resident Parking Zones (RPZs)**

This option was raised by stakeholders at the workshop, who highlighted the additional strain put on parking by HMOs in an already constrained parking environment within Bath. The city does have resident parking zones in place, however these generally do not extend into the areas of high HMO concentration. Introducing new resident parking zones can be a lengthy process, which would require data collection to evidence the proposition and meet requirements as set

by B&NES own guidance<sup>21</sup>. It would also be required to follow public consultation procedures and would be associated with additional resources for the council's parking enforcement service.

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<sup>21</sup> B&NES, Guidance on the Introduction of Residents Parking Schemes

## 6 Conclusions & Next Steps

In reviewing the HMO SPD, it is apparent that the policies it contains have improved the ability of B&NES to control the development of HMOs in areas of existing high concentration. It is also apparent that residents of Bath are still experiencing notable impacts related to high HMO concentrations and city centre PBSA. Given the results of the EU referendum, the future trajectory of HMO demand is perhaps at its most uncertain, further complicating the decision over future policy direction. However, the two universities in Bath have demonstrated their intention for expansion and the lack of affordable housing in the South West generally indicates that demand for HMOs is to continue for the foreseeable future. This review concludes by setting out three next steps:

- Agree SPD options to take forward;
- Address data issues; and
- Consider additional evidence required to progress other options.

### 6.1 SPD Options

A range of policy options that could be incorporated into a revised HMO SPD have been identified and appraised. These now need to be considered by the members of the Council to identify the preferred option, or combination of options, to take forward into a revised SPD. The revised SPD will then undergo consultation, with the aim to be adopted in the summer/autumn of 2017. These options present three potential routes for the existing threshold policy; a lowered threshold, a variable threshold or no change. Alongside this are a range of additional policies that could be incorporated into any of the three scenarios. These present a variety of supplementary strategies to regulate or mitigate the impacts of both HMOs and PBSA. A summary of the options to be considered is below:

Option	Key Benefit	Key Risk
Lower threshold	Limit HMO concentration	Could lead to an under-supply of HMOs, reduced availability of a key source of affordable housing
Multiple thresholds	Allow for HMO growth in some areas	Justifying and communicating variations to stakeholders
HMO sandwich policy	Ensure housing mix	
Stage 1 threshold approach	Fully prevent further HMOs in threshold-exceeding areas	Could lead to an under-supply of HMOs, reduced availability of a key source of affordable housing
Street level threshold analysis	Responsive to local context	Data requirements, confusing to stakeholders
Apply threshold to PBSA	Prevent PBSA in areas of high HMO concentration	Deter PBSA developers; under-supply of PBSA. Possible lack of appropriate parent policy.

Development criteria for PBSA	Ensure quality of PBSA	May deter PBSA developers; under-supply of PBSA.
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It is recommended that if a 'do nothing' approach was decided upon, in which no revisions are made to the adopted SPD, that a review of the policy wording of the SPD may be appropriate to address current ambiguities in its approach.

## 6.2 Improving data

The review has revealed that improvements in data collection would aid the effective monitoring and implementation of the existing and future HMO policy. Questions have been raised by stakeholders about the quality of the existing database in capturing an accurate and up-to-date understanding of the quantity and distribution of HMOs in Bath. It is our view that the data issue is no better or worse than comparable authorities, however it is recommended that B&NES review the methods through which HMO data is collected; investigating the predictive analytics approach used in London, as well as increasing the regularity with which data is updated and shared. It may be possible to update the data in real-time through UniForm, and if not a 3-monthly update process would improve data currency.

## 6.3 Additional options

Finally, this document has identified various additional strategies which could be implemented alongside the HMO SPD. These measures require a level of assessment beyond the scope of this study, although an initial evaluation has highlighted the challenges associated with each. It is recommended that B&NES review these options to decide which, if any, may be viable and appropriate for further investigation. The below table details the initial risks that could be associated with each strategy. This may help inform a decision about which could be viable options for further investigation.

Option	Risks/Challenges
Additional Licensing	Requires additional and robust evidence gathering and consultation before implementation could be considered. Cost and resource implications.
Extension of the Article 4 Direction to cover all of B&NES	Pre-emptive. Would need to establish a baseline for entire authority. Takes 12 months to be enacted once adopted.
Further exploration of Local Plan policies to mitigate impacts of university growth on the wider city	Any obligations decided must adhere to legislative requirements. Reaching consensus on initiatives to be funded through obligations. Timescale for inclusion in Plan.
Delivery of HMOs through new development	Establishing a robust evidence base with which to justify the HMO delivery mechanism. No precedent of this strategy.



Site allocation for PBSA	Would be through Local Plan review process, due to commence in 2017. Finding suitable sites may be challenging, particularly outside the greenbelt.
Waste management improvements in Bath	Cost and additional resources of implementation.
More investment in licensing enforcement	Cost and additional resources of implementation (though this may be recoverable through licensing fees).
Expand Resident Parking Zones (RPZs)	Timescale of creating new RPZ Evidence required to justify RPZ Additional cost and resources to implement and operate

## Appendix A –

## Appendix A

### Engagement Plan

## A1 HMO SPD Review: Engagement Approach

### A1.1 Overview and purpose

Effective engagement with public and private sector stakeholders, as well as the general public, will be important in developing a revised Supplementary Planning Document (SPD). We know from previous experience in Bath that Houses in Multiple Occupation is a topic that many groups have very strong views on.

The views of stakeholders, who will have different interests, needs to be carefully managed, so that groups are able to feed in their views, knowledge and expertise at appropriate stages of SPD revision. As set out in the PAS Good Plan Making Guide; “the better you engage communities in plan making the less likely they are to feel their needs are not being met in local planning decisions on individual schemes”<sup>22</sup>. Building on the Statement of Community Involvement, this document sets out:

- the objectives of consultation at each stage;
- the stakeholders and their needs;
- methods and timings;
- roles and responsibilities; and
- how responses will be dealt with.

### A1.2 Approach

The table below sets out the two key engagement activities in Autumn 2016 and Spring 2017. These will be complemented by additional engagement with key groups and individuals by phone and in person over the course of the policy review. In addition, we will work with lead members and other council departments with overlapping interests (e.g. housing and GIS teams) throughout the programme for revision of the SPD.

	Workshop – Nov 2016	Informal Engagement – Spring 2017	Public Consultation – Summer 2017
Objectives	<ul style="list-style-type: none"> <li>• To share and understand different perspectives related to House of Multiple Occupation (HMOs) in Bath;</li> </ul>	<ul style="list-style-type: none"> <li>• To get feedback on options available (particularly in relation to thresholds) prior to formal consultation in the summer</li> </ul>	<ul style="list-style-type: none"> <li>• To share the data related to HMOs and Purpose Built Student Accommodation (PBSA);</li> </ul>

<sup>22</sup> PAS Good Plan Making Guide: Plan Making Principles for Practitioners, Principle 5, September 2014.

	<ul style="list-style-type: none"> <li>• To share the data related to HMOs and Purpose Built Student Accommodation (PBSA);</li> <li>• To collectively explore effectiveness of the SPD introduced in 2013; and</li> <li>• To test potential interventions that might help to create balance and sustainable communities and understand the implications of these.</li> </ul>		<ul style="list-style-type: none"> <li>• To explain what can be achieved through an SPD;</li> <li>• To gather public views on the preferred revisions to the HMO SPD; and</li> <li>• To improve the final SPD with additional knowledge and experience</li> </ul>
Stakeholders	Informed stakeholders from across different groups.	Informed stakeholders from across different groups.	General public (with events in locations with higher levels of interest, e.g. geographies with high levels of HMOs, universities, landlord events and other groups as identified through EqIA process)
Roles and Responsibilities	Arup to organise workshop and lead facilitation B&NES planning and housing teams to consider and compile list of invitees	B&NES planning team to conduct	Tbc
Integrating Responses	Arup to draft report and integrate options into report for consideration by members prior to revision of SPD.	B&NES to make decision on options taken forward, considering responses received.	Responses to be collated and considered in officer workshop prior to drafting of final amended SPD

On adoption by the Council, all those who registered an interest in the SPD or who made written comments during the consultation period will be notified.

## **Appendix B**

### Workshop report

## **B1 Workshop Report**

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### **B1.1 Introduction**

#### **B1.1.1 Study Background and Aims**

Arup has been commissioned by Bath and North East Somerset Council (B&NES) to assist with a review of the Supplementary Planning Document (SPD) on Houses of Multiple Occupation (HMOs) adopted in July 2013. This SPD set out the Council's approach to the distribution and dispersal of HMOs in response to concerns that high concentrations of HMOs in certain neighbourhoods were creating an unbalanced housing mix and impacting on community wellbeing. The SPD supported the introduction of an Article 4 Direction applied to the whole of Bath in 2012, requiring change of use from a C3 Dwelling House to C4 small HMO to seek planning permission.

The SPD detailed a two stage assessment for HMO planning applications, stating that permission will not be granted when:

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 metre radius of the application property.

In 2014, B&NES also introduced an Additional Licensing scheme for some areas of the city, which required the licensing of HMOs not covered by current national mandatory licensing. This is aimed at improving management and regulation of HMOs to ensure a certain standard of accommodation is met and that negative impacts on neighbouring properties are minimised.

The commission aims to review the current SPD and establish how effective its approach has been over the last three years. It will consider potential options for intervention through revisions to the SPD, following the application of various methods in other local authorities across the UK. The study will consider Purpose Built Student Accommodation (PBSA) as part of this mix.

#### **B1.1.2 Aims of the Workshop**

As part of the SPD review study, a workshop was held on Monday 14th November 2016 in the Guildhall, Bath to collect stakeholder views on the relevant issues. The aims of the workshop were:

- To share and understand different perspectives related to House of Multiple Occupation (HMOs) in Bath;
- To share the data related to HMOs and Purpose Built Student Accommodation (PBSA);
- To collectively explore effectiveness of the SPD introduced in 2013; and
- To test potential interventions that might help to create balance and sustainable communities and understand the implications of these.



A wide range of stakeholders were invited and attended the workshop including:

- Ward Councillors from across Bath
- Planning Officers, B&NES Council
- Housing, Development Management and Transport Officers, B&NES Council
- Bath Spa University
- University of Bath Students Union
- Bath Spa University Students Union
- National Landlords Association
- Lettings and Estate Agents
- Federation of Bath Residents Association (FoBRA)
- Association of Local Landlords
- Planning consultancies

## B1.2 Workshop Report

### B1.2.1 Introduction

An overview of the study was provided by Arup and B&NES workshop facilitators, including a background to the initial introduction of the SPD in 2013. An agenda for the workshop was set out.

### B1.2.2 Impacts of HMOs

Through facilitated discussion in groups, workshop attendees were asked to identify the positive and negative impacts of HMOs in Bath. These are summarised below:

Positive Impacts	Negative Impacts
Provides an affordable housing option	Too concentrated within certain areas, creating unbalanced social mix
Regulated through licensing, have to be of a certain acceptable standard	Negative impact on street scene through poor maintenance and excess refuse
High density land use	Increased house prices and pressure on housing market
Add vibrancy to community	Reduces availability of family housing
HMO dwellers revitalise areas and support local businesses/services	Anti-social behaviour e.g. noise
Student HMOs have lower car ownership and support bus services	Landlords can be neglectful of properties, licensing not well enforced
Encourages independence of students	Impact of student seasonality on services and businesses
Facilitates graduate retention of students, good for the economy	Lack of parking
	Loss of council tax for B&NES through student HMOs
	Businesses change to serve students
	High fees from letting agents

	Licensing costs passed to tenants
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This exercise demonstrates that the perceived positive and negative impacts of HMOs remain similar to those that informed the SPD in 2013.

### B1.2.3 Baseline Review

A baseline review of data was presented to attendees, using a selection of maps which display HMO data from 2013 and 2016. This was aimed at demonstrating the effect of the SPD and to evaluate the emerging pattern of HMO distribution in the city. There was concern from attendees about the quality of this data, which they felt did not accurately represent the reality of HMOs in Bath. In particular, the issue of 'hidden' HMOs is apparent as many attendees felt that the data underestimates the quantity of HMOs within certain wards.

The projected growth trajectory of the two universities in Bath were presented, both of which show intended expansion of the student population over the next five years. Attendees questioned how the quantity of other users of HMOs, such as young professionals, could be projected to better inform overall future demand.

## B1.3 Possible Interventions

Attendees were asked in groups to discuss four options for intervention and report back on their preference. They were also encouraged to suggest any other interventions they feel should be considered.

The four options provided were:

Options	
<b>Do Nothing</b>	Retain existing 25% threshold
<b>Lower threshold across city</b>	Reduce threshold across the whole city to less than 25%
<b>Lower threshold in part of city</b>	Introduce variable thresholds with an inner core that is different from the rest of the city
<b>Complementary planning policies</b>	E.g. on PBSA, purpose built HMOs as part of affordable housing policy

### B1.3.1 Preferred Option

All groups favoured the option of lowering the HMO threshold to less than 25% across the city. Only one group specified the threshold they would like to see introduced, which was 10% based on the recommendations of the National HMO Lobby. Other groups felt uncertain of an appropriate threshold.

The 'Do Nothing' approach was discounted by all groups on the basis of the city experiencing continued issues with HMOs despite the 25% threshold. The option to lower the threshold in only certain areas of the city did not receive much support, with some attendees stating that it would be viewed as unfair to do so.

The fourth option of complementary planning policies received support, although there was no single preference for one specific policy. The potential policies and other initiatives that were discussed are detailed below.

### B1.3.2 Other Proposed Interventions

Alternative policy interventions that were suggested by attendees are listed below, grouped into three categories:

Possible Intervention	Explanation
<b>HMO Intervention</b>	
Delivery of HMOs through new development	Use policy mechanism to require that new large scale housing development includes provision of HMOs
HMO Sandwich Policy	Additional criteria when determining HMO applications that they cannot result in the 'sandwiching' of a family/single dwelling between two HMOs
Widen Article 4 Direction in B&NES	Apply Article 4 Direction to the entire authority area to prevent HMOs from moving outward into surrounding settlements e.g. Keynsham
Increase scope of SPD applicability to HMOs	Require that planning permission must be sought to increase occupancy of an HMO (e.g. from C4 to sui generis), to prevent intensification
<b>PBSA Intervention</b>	
Criteria for PBSA development	Set out guidelines that PBSA development will be expected to meet in order to gain planning consent, including requirement for it to be affordable
Apply threshold rules to PBSA	Extend the threshold test to applications for PBSA to prevent them being located in areas of high HMO concentration
Site allocations for PBSA	Specify sites for PBSA development. This could include a strategy to only locate PBSA on existing university land
<b>Other Interventions</b>	
Limit university expansion	Apply an admissions cap to universities or limit their expansion unless adequate housing provision can be demonstrated
Waste management improvements in Bath	A more effective waste management system may alleviate the current issues surrounding HMOs and
More investment in licensing enforcement	Improve the enforcement and monitoring of HMO licenses to increase standards
Create Resident Parking Zones (RPZs)	A mechanism to limit the number of cars per property and reduce pressure on parking

As the above list demonstrates, a wide variety of other policy interventions were considered by attendees of the workshop as possible strategies to implement alongside a threshold reduction. No single proposal listed above received a majority consensus from the group as the favoured intervention. There was, however, a consensus that more intervention overall is needed than is currently provided by the SPD.

## **B1.4 Conclusion and Next Steps**

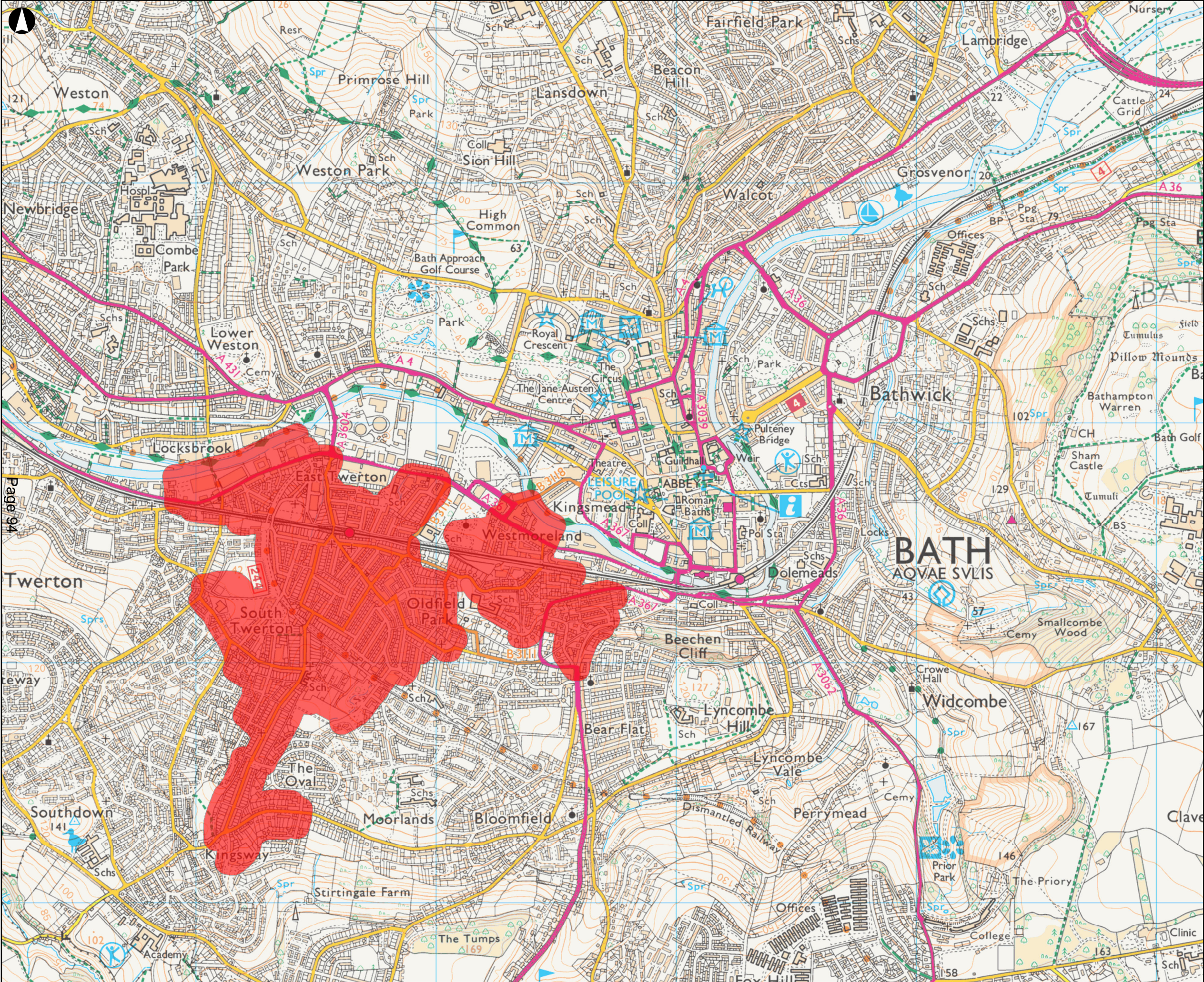
The workshop has established that there is broad support from stakeholders in Bath for a reduction in the 25% HMO threshold set by the current SPD. It has also drawn attention to the difficulties in accurately capturing the distribution and demand for HMOs to inform such policy. Finally, the workshop has presented a range of other policy interventions that could be considered as part of a future strategy to regulate HMOs in Bath.

The next step of this study is to use the workshop findings and other research done to date to create a shortlist of intervention options that need to be considered in greater detail. Upon agreement with B&NES, some of these will undergo analysis, which will be presented in a final report summarising the findings of the study. Recommendations will also be made to B&NES for other interventions that may require further investigation currently beyond the scope of this study.

## Appendix C

### Option 1: Reduce Threshold



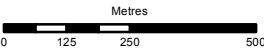


**Legend**

>20% HMOs

F1	2017-04-18	SJ	AC	WD
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Issue	Date	By	Chkd	Appd
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Client  
**B&NES**

Job Title  
**B&NES Article 4 HMO Study  
- Stage 2**

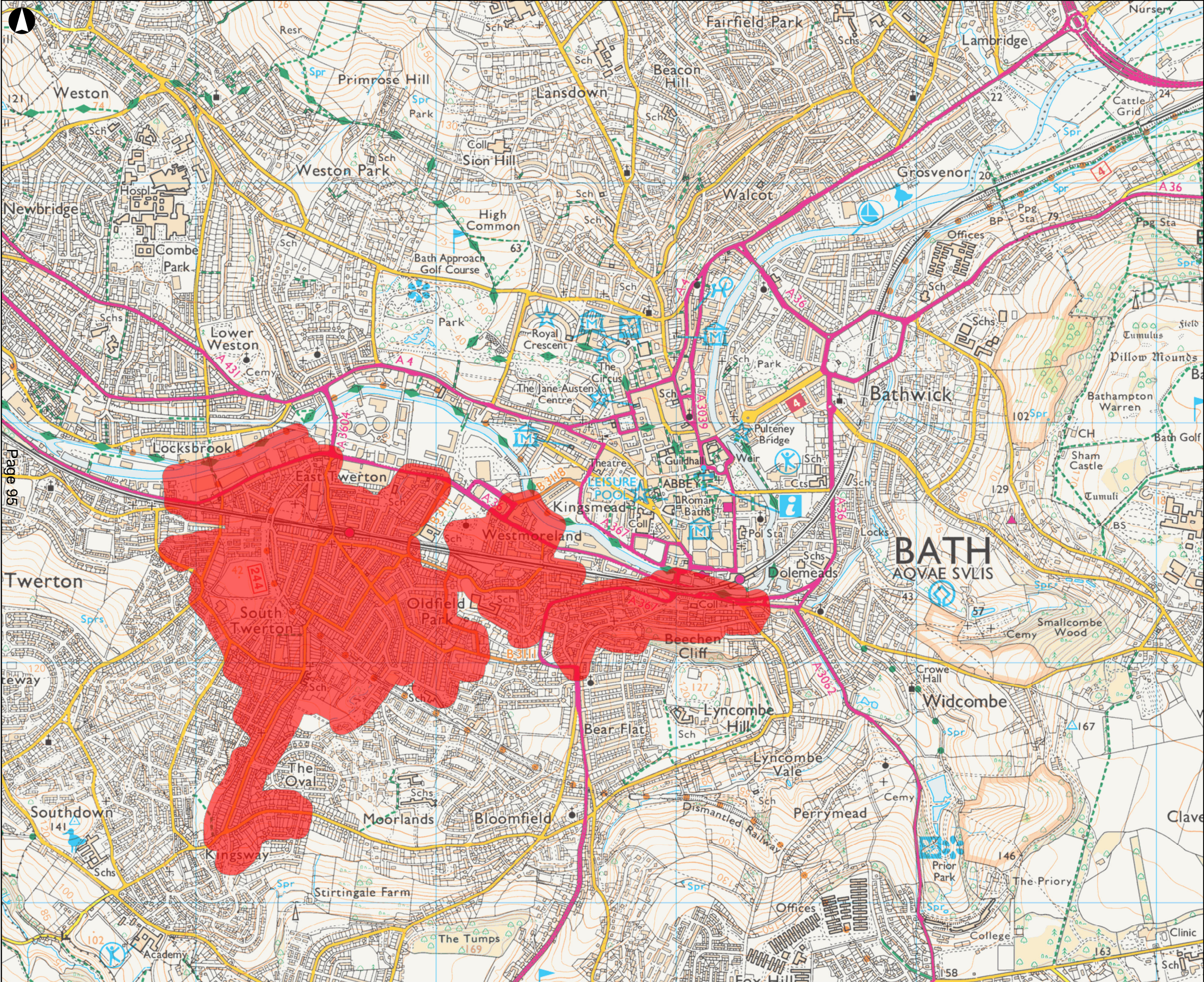
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(April 2017 update)

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Job No <b>218116-00</b>	Drawing Status <b>Preliminary</b>
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Drawing No <b>MAP 1</b>	Issue <b>F1</b>
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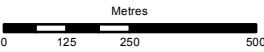


**Legend**

>15% HMOs

F1	2017-04-18	SJ	AC	WD
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Issue	Date	By	Chkd	Appd
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**B&NES**

Job Title  
**B&NES Article 4 HMO Study  
- Stage 2**

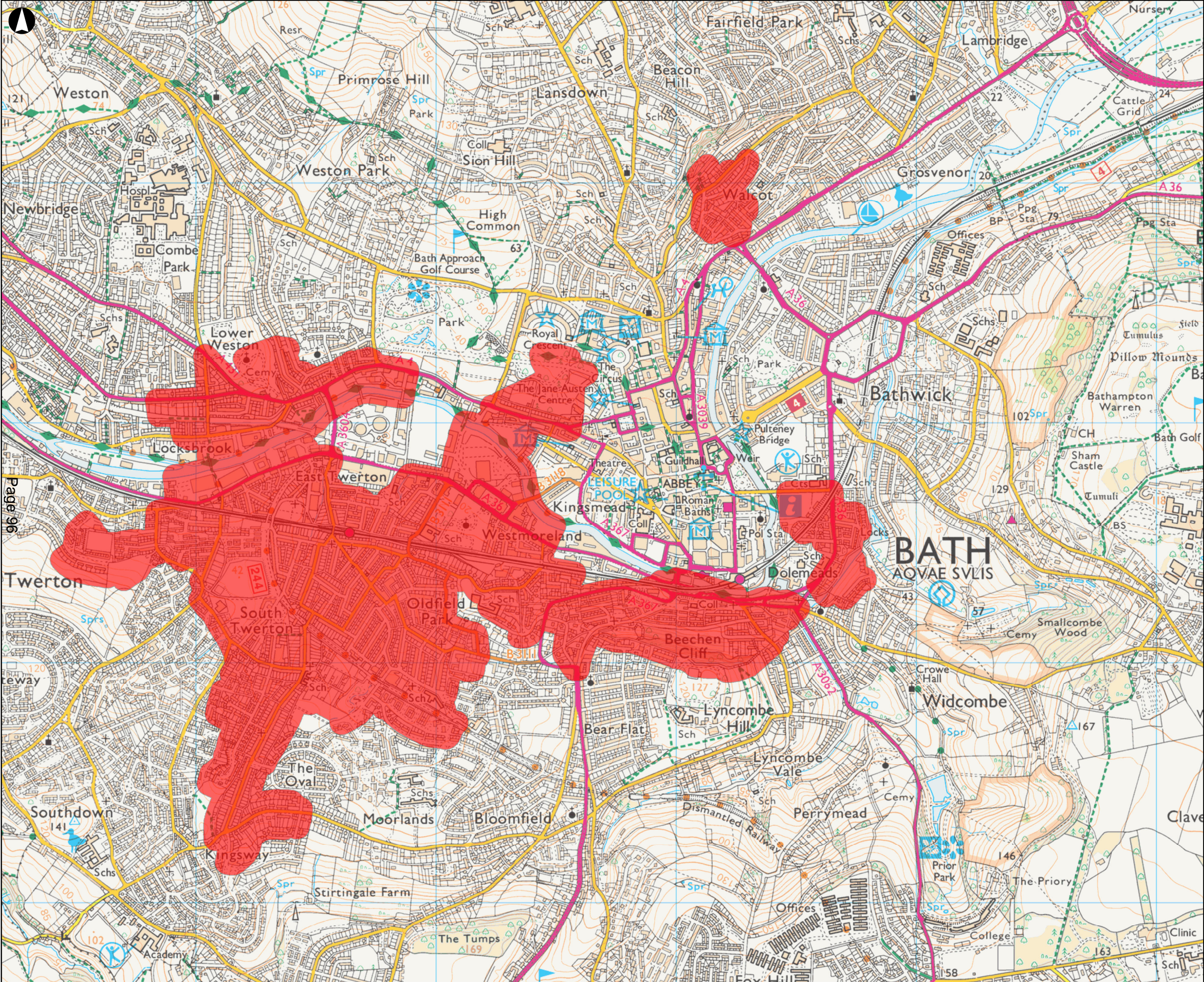
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(April 2017 update)**

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Job No <b>218116-00</b>	Drawing Status <b>Preliminary</b>
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Drawing No <b>MAP 2</b>	Issue <b>F1</b>
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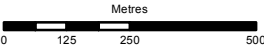


Legend

>10% HMOs

F1	2017-04-18	SJ	AC	WD
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Issue	Date	By	Chkd	Appd
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Job Title  
**B&NES Article 4 HMO Study  
- Stage 2**

**COAs >10% HMOs  
+ 50m buffer  
(April 2017 update)**

Scale at A3  
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Job No  
**218116-00**

Drawing Status  
**Preliminary**

Drawing No  
**MAP 3**

Issue  
**F1**



<b>Bath &amp; North East Somerset Council</b>	
MEETING/ DECISION MAKER:	<b>Planning, Housing and Economic Development Policy Development &amp; Scrutiny Panel</b>
MEETING/ DECISION DATE:	<b>4<sup>th</sup> July 2017</b>
TITLE:	<b>The Implications of Losses of Office to Residential in Bath</b>
WARD:	Bath wards
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> <b>Annex 1- Bath Central Area</b>	

## **1 THE ISSUE**

- 1.1 Officers have been asked to explore the benefits and risks of making an Article 4 Direction to remove the permitted development rights to make a change of use from office to residential in Bath. The purpose of this paper is to explain the evidence, enabling a discussion of the issues and next steps.

## **2 RECOMMENDATION**

- 2.1 The Panel is asked to;

- (1) Note the contents of this report, and
- (2) Discuss and provide guidance on the potential next steps referred to in paragraphs 5.13 to 5.15 below.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 There could be an implication on future Business Rates retention in the city, should an Article 4 Direction not be progressed. Further work will need to be carried out to establish the evidence in this respect.
- 3.2 Introduction of an Article 4 Direction will require that changes of use not currently requiring planning permission will now be subject to planning control but no application fee can be applied. This will increase the costs of the Council's Development Management function which are not recoverable
- 3.3 If a decision is made to pursue an Article 4 Direction, then a planning policy will also be required to enable its operation.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

4.1 In 2013, the Government removed the need for planning permission to change of use of buildings within the B1(a) office use class to C3 residential. Such changes are subject to the following conditions:

- (1) only applies to buildings in B1(a) use on or before the 30th May 2013;
- (2) does not restrict the number of dwellings created;
- (3) does not cover external modifications or extensions; and
- (4) does not apply to listed buildings.

4.2 In order to exercise these Permitted Development Rights (PDR), developers must notify the Council that they propose such a change through seeking Prior Approval and submitting a Prior Notification Order (PNO) form to the Council. Following receipt of a PNO application the Council has 56 days to determine the application, including at least 21 days for consultation. Under the prior approval process the applicant has three years to complete the change of use.

4.3 The criteria/tests against which PNO applications are assessed are limited to:

- (1) flooding risks in relation to the building;
- (2) contamination risks in relation to the building;
- (3) parking or highways impacts of the development; and
- (4) noise impacts from adjoining commercial development.

4.4 Local Planning Authorities can recover these controls through an Article 4 Direction which would remove the permitted development rights of landowners to convert their property. The evidence to justify the removal of these rights should be robust and the harm being caused sufficiently significant to support such a Direction being made.

4.5 Should it be progressed, the aim of a Direction would be to protect employment floorspace and jobs to enable delivery of the Council's adopted Core Strategy and Economic Strategy.

## **5 THE REPORT**

### **Background**

5.1 Reflecting the Council's Economic Strategy, the adopted Core Strategy, covering the period 2011-2029, seeks the delivery of 10,300 net new jobs in B&NES. Key to achieving this level of employment growth is delivering the 6,950 additional jobs in Bath.

5.2 To achieve this growth and to facilitate the expansion of key economic sectors identified in the Economic Strategy the Core Strategy allows for the delivery of 50,000sqm of new office space in the city, offset by the loss of 10,000sqm of space which is "the least suitable". The focus of this growth is the Bath Central

Area, supporting the findings of the Bath Office Market Review which identified this was the favoured location for office occupiers.

- 5.3 The Core Strategy was adopted in 2013 the same year that the Government introduced new permitted development rights (PDR). Since 2011 (the Core Strategy base year) analysis shows that by April 2016 in the Bath Central Area 7,000sqm of office space had been converted to residential use with a further 12,000sqm of space having obtained prior approval consent.
- 5.4 In response to this level of losses the Placemaking Plan (PMP) allows for a greater level of losses, up to 20,000 sqm of the “least suitable space”, and correspondingly increases the expansion of new office space to 60,000 m<sup>2</sup>.
- 5.5 However the supply of development land in central Bath is severely constrained and together with the need to ensure that the height and massing of new development does not harm the World Heritage Site status, there is a risk that further uncontrolled losses of office space will result in the Council not achieving its planning policy and economic strategy objectives, with future economic growth and business rate income being constrained.

## **Methodology**

- 5.6 To assess the risk and impact of further losses of office space the Council has appointed Ortus Economic Research to undertake an analysis of the Bath Central Area. The Ortus team have significant experience in economic data modelling and analysis and have worked with a number of local authorities on the loss of office space issue.
- 5.7 Ortus engaged Lambert Smith Hampton to provide local commercial market knowledge and advice and followed a methodology they have used elsewhere to support authorities considering Article 4 Directions as well as exemptions from the original temporary arrangements.
- 5.8 Given that 80% of B&NES office stock is located within the Bath Central Area, this part of the City has been the focus of the assessment. The Central Area is as defined in the Core Strategy (see Annex 1), with the addition of areas of B1 activity along the Lower Bristol Road.
- 5.9 The emerging analysis shows that as an established commercial centre B1(a) premises play an important role in Bath’s local economy; this use class accounts for a greater proportion of economic activity than any other. Economic activity is more concentrated in B1(a) premises in Bath than in B&NES or in the West of England. The key findings of the Ortus research will be summarised in a presentation to the Panel.

## **Emerging Evidence**

- 5.10 Following the introduction of the changes to permitted development rights the Council received a total of 43 applications in relation to 28 separate properties in the Central Area. The applications range from modest schemes to convert small offices into single residential units, to large schemes affecting over 1,000sqm of office space. Over half of the office buildings subject to a change of use were part or fully occupied, which means many businesses would have to

relocate, quite possibly out of the City, and possibly downsize or even cease trading altogether.

- 5.11 The inclusion of relatively modern centrally located buildings as well as listed Georgian properties demonstrates that the Central Area is losing the type of office premises that could have continued to play a valuable role in providing employment in the city and could not be classified as the “least suitable” i.e. buildings occupied by businesses located in sought after, attractive, and accessible locations.
- 5.12 This loss of office accommodation needs to be considered in the context of the employment growth forecasts and policies that underpin the Core Strategy and Place Making Plan. Provision of B1(a) premises fell by over 6,000 square metres in central Bath between 2011 and 2016. In total as indicated in para 5.3 some 19,000sqm of office space has been subject to proposals for change of use. If this trend continues there is an increasing risk that B&NES will not achieve the objectives set out in its Economic & Planning Strategies.

### **Potential Next Steps**

- 5.13 The Council has the option to recover planning controls by removing Permitted Development Rights through the making of an Article 4 Direction. DCLG guidance states that Local Planning Authorities should consider making Article 4 directions “only in those exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity or the proper planning of the area”.
- 5.14 Article 4 Directions must relate to specific classes of permitted development and identified geographies. The current circumstances in central Bath suggest there is a need to manage the change from B1(a) office to C3 residential use within the Bath Central Area. There is flexibility over (i) the timing of the date the Direction becomes effective, (ii) the geographical extent and (iii) the degree of permanence.
- 5.15 The Council will need to consider the degree to which an Article 4 Direction provides an appropriate solution to the issues raised and the implications of implementing an Article 4 Direction.
- 5.16 An Article 4 Direction must be accompanied by a planning policy to set out how the Council will operate any recovered planning controls.

## **6 RATIONALE**

- 6.1 The Council’s adopted Core Strategy seeks the delivery of 6,950 additional jobs in Bath. There is a risk that further uncontrolled losses of office space will result in the Council not achieving its planning strategy with future economic growth and business rate income being constrained. An Article 4 Direction linked to accompanying planning policy would allow the Council a greater measure of control over future losses of office space.

## **7 OTHER OPTIONS CONSIDERED**

- 7.1 A range of options need to be considered in order to ascertain the most appropriate mechanism for responding to the issues described above.

## 8 CONSULTATION

- 8.1 Lambert Smith Hampton carried out market testing, to complement the ongoing business engagement by the Economic Development, Regeneration and Planning teams within the Council. A range of services have also been involved in the research carried out by Ortus. If an Article Direction and SPD are pursued then the necessary public engagement will be carried out.

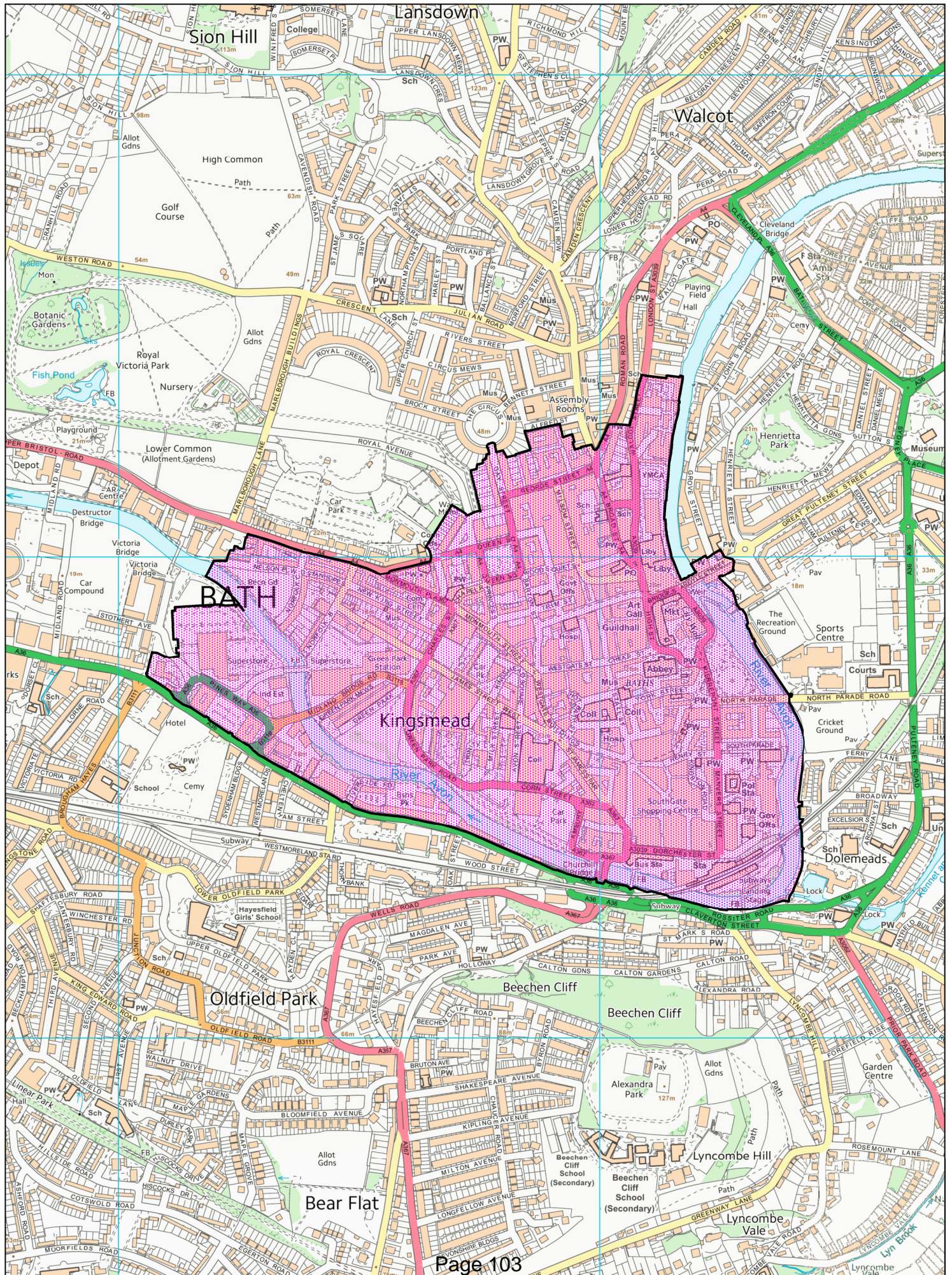
## 9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Simon de Beer 01225 477616</i> <i>Tim Hewitt / John Cox 01225 477552</i>
<b>Background papers</b>	<i>Placemaking Plan:</i> <a href="http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/placemaking-plan">http://www.bathnes.gov.uk/services/planning-and-building-control/planning-policy/placemaking-plan</a>
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<b>Bath &amp; North East Somerset Council</b>	
MEETING	<b>Planning, Housing &amp; Economic Development Policy Development &amp; Scrutiny Panel</b>
MEETING	<b>4<sup>th</sup> July 2017</b>
TITLE:	<b>Housing White Paper Consultation</b>
WARD:	All
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report:</b> <b>Attachment 1: Responses to the White Paper Consultation Questions</b>	

## **1 THE ISSUE**

- 1.1 The Government is proposing changes to the Housing and Planning legislation. A consultation was undertaken in the Spring of 2017. This report sets out for the Planning, Housing & Economic Development Scrutiny Panel the key issues and the responses provided by B&NES as part of a West of England response.

## **2 RECOMMENDATION**

- 2.1 The Panel is asked to Note and comment on the changes to housing and planning legislation proposed in the White Paper

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The Council has statutory obligations under the planning legislation and these could be affected by changes in new legislation. The White Paper states that Local authorities will be able to increase fees by 20% if they commit to invest the additional fee income in their planning department. It also refers to increase of a further 20% for those authorities who are delivering the homes their communities need. It is not clear when legislation will be brought forward to enact this.

## 4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Any changes to the planning & housing legislation would have direct implications for the operation of Council services. The potential areas of change are set out in section 5 below.

## 5 THE REPORT

### Background

- 5.1 The Housing & Planning White Paper (HWP) was published on 7<sup>th</sup> Feb, and the consultation ran to 2<sup>nd</sup> May. A joint West of England response was submitted.

### Consultation

- 5.2 The Headline issue is still a significant focus on provision of housing and accelerating delivery. The HWP highlights the importance of a plan-led approach, the need for up to date local plans, and policy proposals intended to encourage development to come forward in the 'right places'. This has particular implications for the Joint Spatial Plan and the new B&NES Local Plan.

### Key Issues

- 5.4 ***Status and relationship of Development plans:*** The preparation of statutory development plan documents at the strategic level will be made compulsory in the National Planning Policy Framework. This includes ref to a strategic level plan such as a Joint Spatial Plan.
- 5.5 ***Housing numbers:*** The Housing White Paper states that 40% of LPAs do not have a plan in place to meet the projected growth of households in their area. A standard formula for calculating housing need. This will be subject of a further consultation later in the year.
- 5.6 ***Housing Delivery:*** The paper acknowledges the issue of delivery and the implementation gap between planned supply and that delivered on the ground. It notes that the pace of development is too slow- and recognises the motivations and implications of unimplemented planning permissions, 'speculators purchasing the land and then sit back as prices continue to rise'. Whilst this view is understood, the development industry has been clear that in their view land banking is not the issue, particularly in areas such as the West of England where demand is so high.
- 5.7 The development industry has suggested that this is business planning by the housebuilding industry. The officer view is that whilst this is may not strictly be land banking, there is an issue in the West of England regarding land owners having high aspirational values for the land, and in many cases developers buying options on the land and strategic options trading, and delivering housing in relation to the requirements of a commercial business model.
- 5.8 Fundamentally the current system drives up land values. Beyond CIL and setting out the planning requirements at an early stage, there is no mechanism or policy proposals in the White Paper, for uplift in land value capture to be reinvested back into the development/infrastructure/communities. It is a potential missed opportunity that the White Paper does not address this issue directly.

- 5.9 **Ways to boost supply:** There is acknowledgement that the structure of the house building industry makes it harder to increase supply. Diversifying the market is acknowledged and proposals encouraged around bringing in new players, Small Medium Enterprises, construction companies, methods of modular construction, public intervention/delivery (Joint delivery vehicles or similar).
- 5.10 **Affordability:** There is recognition in the White Paper that across all tenure types, costs are a disproportionate amount of people's income. Affordability therefore is an issue that is impacting across all section of our communities. The HWP sees a significant policy shift and it purports to redefine what is meant by Starter Homes. However, it has been redefined to relate to Low Cost Home Ownership on threshold sites. This change in emphasis significantly improves the ability to deliver genuine affordable homes in the West of England.
- 5.11 Whilst the white paper is focused upon housing numbers and accelerating delivery it also includes other housing related initiatives. These include: an expanded and more flexible Affordable Housing Programme; making rents fairer and more transparent; developing a workable approach to funding supported housing; and enhancing homeless support and assistance. However, these initiatives are not subject to the white paper's consultation questions and had already been subject to previous announcements.

## 6 RATIONALE

- 6.1 None. This paper is for information

## 7 OTHER OPTIONS CONSIDERED

- 7.1 None, any legislative changes will be compulsory on Local Authorities

## 8 CONSULTATION

- 8.1 This paper was prepared by Housing & Planning Officers in the West of England and submitted as part of the Government's consultation on the Housing White Paper

## 9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance.

<b>Contact persons</b>	<i>Simon de Beer 01225 477616/Lisa Bartlett 0125 477550</i>
<b>Background papers</b>	<i>DCLG <a href="#">Housing White Paper</a> February 2017</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	



## ATTACHMENT 1- RESPONSES SUBMITTED TO THE CONSULTATION QUESTIONS

### Question 1a) Do you agree with the Proposals to:

**a) Make clear in the National Planning Policy Framework that the key strategic policies that each local planning authority should maintain are those set out currently at paragraph 156 of the Framework, with an additional requirement to plan for the allocations needed to deliver the area's housing requirement?**

The West of England welcome the proposed approach set out in the Housing White Paper (HWP) at paragraphs A14 to A17 in principle. However, further clarification is sought on whether it will be to locally determine at which level of plan-making allocations should apply.

The current approach in the West of England is a two tier local plan system with the Joint Spatial Plan being a tier 1 plan-strategic identifying locations and tier 2 being local plans which will allocate locations.

Whilst the principle and intent behind the HWP is supported, it would be helpful if the NPPF could recognise that it is for authorities, working jointly as appropriate, to decide what is the most effective way to set out their key strategic priorities. The scope of a strategic level plan does not therefore need to address all the strategic priorities listed in the NPPF at paragraph 156, but the key ones relative to the area being planned for. The emphasis should be to ensure the NPPF requires authorities to clearly set out the scope of each DPD they are intending to produce either collectively or individually. Consequently, it should be sufficient for the NPPF to require that when taken collectively the individual DPD components that comprise the council's local Plan deliver against paragraph 156, rather than seek to be prescriptive about the content of each part.

To illustrate this point, we would draw CLGs attention to the West of England's Joint Spatial Plan (JSP). [Joint Spatial Plan](#). This is a high level spatial plan being prepared jointly by the unitary authorities of Bristol City, Bath & North East Somerset, North Somerset and South Gloucestershire. Its scope has intentionally been kept very narrowly defined to cover: establishing the strategic quantum of growth (homes and jobs), the spatial strategy to accommodate that level of growth and the infrastructure needed to deliver it. It is considered this Plan will provide the strategic planning strategy to demonstrate a coherent spatial approach for the sustainable planning of the West of England City Region and to provide an over-arching framework to guide each Council's respective local plans. If CLG would like to understand more about the JSP the 4 councils would be happy to meet with CLG officers.

In the West of England there is a history of joint working on strategic planning matters. It would be helpful if any changes to the NPPF recognised that joint working / collaboration can take a variety of forms and maintaining the flexibility of choice is important in response to local geographical and political contexts, particularly if the strategic plan area isn't covered fully by a Mayoral plan.

**Question 1b) Do you agree with proposals to:**

**b) Use regulations to allow Spatial Development Strategies to allocate strategic sites, where these strategies require unanimous agreement of the members of the combined authority?**

The West of England welcome the opportunity for the Mayoral Spatial strategy to have the flexibility to allocate strategic sites if appropriate and with unanimous agreement. As noted above further clarification is sought on whether other jointly prepared plans (not covered entirely by combined authorities) would also be able to do so. It would be helpful if any changes to the NPPF recognised that joint working / collaboration can take a variety of forms and maintaining the flexibility of choice is important in response to local geographical and political contexts, particularly if the strategic plan area isn't covered fully by a Mayoral plan.

**Question 1 c) Do you agree with proposals to:**

**Revise the National Planning Policy Framework to tighten the definition of what evidence is required to support a 'sound' plan?**

The West of England in principle support this proposal in that guidance would be helpful, but this must recognise the need for proportionality to the level of the plan and issues to be addressed, prescriptive requirements could be unnecessary and costly. It would be helpful to have further clarity on whether balance and planning judgement depending on local circumstances will still be applied given that evidence is to inform policy decision making. Further detail would be welcomed given the nature of the proposal is currently high level. Note the current focus in the HWP is on the capacity of each area to accommodate development but there is also the need to consider other factors of soundness around deliverability, effectiveness and how these factors would be weighed.

**Question 2:**

***What changes do you think would support more proportionate consultation and examination procedures for different types of plan and to ensure that different levels of plans work together?***

- The NPPF as currently written suggest a single local plan is being prepared and will be subject to the test of soundness. Under the proposed reforms there will need to be clear acknowledgement that an area may be covered by one or more DPDs but that together these should be read as a whole and make the strategic and local plan for an area and meet the requirements therefore of NPPF para 156.
- The level of evidence and scrutiny will need to be proportionate to the type of plan being prepared.
- Consistent examination procedures are suggested to avoid different types/level of plans resulting in different outcomes at examination –i.e the reopening of issues such as setting the overall housing requirement.
- For public consultation the requirement should remain in line with current regulations and also be proportionate to the level of plan being prepared?

We welcome the flexibility of reg 18 in exploring and developing options in the plan making process. This flexibility needs to be retained and could be helpful in guiding authorities to an appropriate scope for a strategic level plan

### **Question 3a)**

**a) amend national policy so that local planning authorities are expected to have clear policies for addressing the housing requirements of groups with particular needs, such as older and disabled people?**

We welcome the expectation for authorities to have clear policies for addressing the housing requirements of groups with particular needs. It is critical that policy is based on robust evidence and for the policy response to be locally determined with the ability for it to be flexible to suit local needs.

### **Question 3b)**

**b) from early 2018, use a standardised approach to assessing housing requirements as the baseline for five year housing supply calculations and monitoring housing delivery, in the absence of an up-to-date plan?**

The introduction of a standard methodology is supported in principle, as is the commitment to consult on the proposed methodology and for what constitutes a reasonable justification for deviating from the standard methodology and making it explicit in the NPPF. Subject to this being undertaken to provide simplicity and clarity on the approach to establishing housing requirements, and including guidance on affordability thresholds for affordable housing and how to treat benefit income, standardising the process for assessing need will potentially support plan making establishing a baseline for housing supply and delivery. However, any methodology introduced should not be too inflexible or prescriptive. It is important this continues to be locally determined and that communities are not faced with having national housing targets imposed.

West of England would welcome early detail/involvement on the consultation so as not to provide unnecessary delay to the plan making process for the JSP. We would also welcome clarification on proposals for the Secretary of State giving additional time where joint ambitious plans are being brought forward.

It is crucial that the suggested timetable for this change is adhered to. Any delay or slippage will have a detrimental effect on plan-making. It is also critical that appropriate transitional arrangements for plans which are already in preparation based on up-to-date completed or revised SHMAs should be made explicit, to avoid abortive work and delay for such plans, and unnecessary challenge. Plans should not be unnecessarily delayed by these proposed changes where they are expected under current local development scheme timetables to be at Regulation 19 and or submission stages by early 2018. Given the clear intention as set out at paragraphs A.7 – A13 of this HWP for CLG to intervene where plan preparation falls below acceptable performance, clear guidance from CLG will greatly assist councils to manage this risk and to ensure their evidence base supporting plan preparation is robust.

#### Question 4

**Do you agree with the proposals to amend the presumption in favour of sustainable development so that:**

**a) authorities are expected to have a clear strategy for maximising the use of suitable land in their areas?;**

The proposals are supported in principle, assuming that suitable land is determined through an appropriate evidence base – including Housing and Employment Land Availability Assessments, and consideration of all parts of the evidence –need, sustainability etc. It would also be helpful to have explicit definitions of a ‘clear strategy’, and ‘maximising’ .**b) it makes clear that identified development needs should be accommodated unless there are strong reasons for not doing so set out in the NPPF?;**

Whilst the nature of the policy issues that may be considered as strong reasons, have been identified i.e. Green Belt, clarification is sought on how /what format strong reasons need to be set out and how they will be evaluated. The wording is ambiguous and to avoid unnecessary delays in the plan-making process clarification is sought on how a case for strong reasons will need to be made i.e is it still matter of planning judgement or will there be further guidance.

**c) the list of policies which the Government regards as providing reasons to restrict development is limited to those set out currently in footnote 9 of the National Planning Policy Framework (so these are no longer presented as examples), with the addition of Ancient Woodland and aged or veteran trees?**

It is noted that this list is extensive and could constrain an authority’s ability to deliver their objectively assessed need (OAN). References to ‘locations at risk of flooding’ is not clear. This proposed revised part of the NPPF could open up authorities to challenge from objectors on why an authority has not proposed that there are strong reasons why an OAN cannot be met (for example if any authority follows a sequential approach and identifies exceptional circumstances). The implications of this element of proposed revision to the NPPF, requires further consideration.

**d) its considerations are re-ordered and numbered, the opening text is simplified and specific**

We would support clear and simplified text in the NPPF, with the exception of the concerns raised at question 4a, b and c.

#### Question 5

**Do you agree that regulations should be amended so that all local planning authorities are able to dispose of land with the benefit of planning consent which they have granted to themselves?**

The West of England support the principle of disposing at less than best consideration where there will be a better planning outcome and welcome streamlining proposed with removing SoS consent (subject to threshold)

#### Question 6

**How could land pooling make a more effective contribution to assembling land, and what additional powers or capacity would allow local authorities to play a more active role in land assembly (such as where ‘ransom strips’ delay or prevent development)?**

No response.

## Question 7

**Do you agree that national policy should be amended to encourage local planning authorities to consider the social and economic benefits of estate regeneration when preparing their plans and in decisions on applications, and use their planning powers to help deliver estate regeneration to a high standard?**

Yes, this is good planning practice and should be applied locally as appropriate.

Clarification/encouragement in planning policy is welcomed.

## Question 8

**Do you agree with the proposals to amend the National Planning Policy Framework to:**

**a) highlight the opportunities that neighbourhood plans present for identifying and allocating small sites that are suitable for housing?;**

Yes in principle. The Authorities within the West of England are already working closely to assist neighbourhood plans to be brought forward, we welcome positive change to the NPPF to further encourage these plans to identify small sites suitable for housing.

**b) encourage local planning authorities to identify opportunities for villages to thrive, especially where this would support services and help meet the authority's housing needs?;**

Yes in principle. The Authorities within the West of England are already working closely with communities to identify opportunities which would support services and assist in meeting need. However, the current definition of 'rural' in the NPPG small sites policy that prevents the delivery of planning obligations, including affordable housing, is directly impacting on the WoE UA's ability to meet housing needs. It is strongly suggested that this definition is widened to all designated rural areas, including those designated by Statutory Instrument, and not just those rural areas designated in the 1985 Housing Act. The current NPPG wording excludes all rural areas in North Somerset, Bath & North East Somerset and South Gloucestershire from securing planning obligations on the small sites coming forward as our villages are designated rural in SI no 621 that came into force in April 1997 .

The Council should be able to better influence housing mix and tenure to meet identified needs in rural areas to ensure development meets local housing demand, including the need for affordable housing

**c) give stronger support for 'rural exception' sites – to make clear that these should be considered positively where they can contribute to meeting identified local housing needs, even if this relies on an element of general market housing to ensure that homes are genuinely affordable for local people?;**

Rural Exception sites can provide the sole opportunity to deliver affordable housing to meet local needs in villages, particularly if the definition of 'rural' in NPPG is not widened to include all formally designated rural areas. Delivery of exception sites is complex and the use of an element of market housing which could incentivise land owners, as well as cross-subsidise delivery of affordable homes, is to be welcomed. Whilst the numbers of homes delivered under exception sites is not significant, for Council's seeking to make a positive impact on meeting affordable housing need as well as meeting general housing targets, the policy is often under-utilised. Exception sites need to be delivered of an appropriate scale to the development and not simply



limited to 'small sites' but recognition of their primary purpose has to be retained and the use of market housing must only be seen as an enabling, and not primary, use of the site. Perpetuity clauses and local connection clauses for the affordable housing units remain an essential part of exception site permission, for both rented and affordable sale products.

**d) make clear that on top of the allowance made for windfall sites, at least 10% of sites allocated for residential development in local plans should be sites of half a hectare or less?;**

Given delivery issues with meeting all housing needs from a few large strategic sites, and the need for housing and other growth to support thriving rural villages, a clear requirement and mandate to achieve a diverse portfolio of site sizes, including small sites will assist in preparing sound and robust plans. However, when plans are being prepared for authorities with larger (than 1000 per year) housing targets, there is a need to recognise that requiring 10% of all housing being provided on sites for 10 dwellings or less will result in greater length of plan preparation and consultation - as more sites, in more locations will need to be considered, appraised and consulted upon, more stakeholders involved and potentially a greater level of consideration at EiP. This could also require sites to be allocated in less sustainable locations simply on the basis of fulfilling an NPPF required quota, thereby undermining communities' trust and confidence in the planning system. As an alternative it may be preferable for the NPPF to make it clear that plans will be expected to show they contain a suitable range and type of sites.

**e) expect local planning authorities to work with developers to encourage the sub-division of large sites?; and**

In relation to plan making, the desire for sub-division of larger sites into sites with earlier delivery time frames is supported. However, there would be a need for more effective policy or legislative tools if local authorities are to go beyond "encouraging" and requesting developers/land owners to consider sub dividing any sites submitted through a call for sites exercise if the Government is intent on fulfilling its HWP commitment to hold developers to account. However, the number of developers and landowners is an important factor in how complex this can be. Negotiating a site wide obligation agreement to ensure the infrastructure is provided at the right time; in a viable and fair way is one of most difficult obstacles any delivery team faces (and this is a recurring issue throughout the country).

**f) encourage greater use of Local Development Orders and area-wide design codes so that small sites may be brought forward for development more quickly?.**

No response to this question.

## **Question 9**

**How could streamlined planning procedures support innovation and high-quality development in new garden towns and villages?**

We would welcome clarification on whether there is intended to be any test or thresholds in the NPPF to secure New garden towns/and village status or if these can be identified at the discretion of authorities through local plan-making.

We would expect to see the NPPF strengthened to make it clear the opportunity to deliver garden villages should be fully tested through strategic cross boundary plan joint working rather than the

current reliance on ad hoc CLG/ HCA led programmes. The latter we consider lack transparency of decision making and accountability for how funding and support is allocated.

#### **Question 10**

**Do you agree with the proposals to amend the National Planning Policy Framework to make clear that:**

**a) authorities should amend Green Belt boundaries only when they can demonstrate that they have examined fully all other reasonable options for meeting their identified development requirements?**

This is supported in principle. The proposals are considered helpful as they provide guidance on the interpretation of the paragraph 84 of the NPPF, confirming that a sequential approach is intended to be undertaken as part of examining all other reasonable options which would then lead to identifying or not exceptional circumstances. Good practice supports this approach which would be expected to be undertaken as part of a green belt review and testing of spatial strategy options as part of plan preparation process.

In the WoE, authorities preparing the Joint Spatial Plan are committed to making best use of urban areas for housing delivery including effective use of suitable brownfield sites; the potential offered by land which is currently underused ( including surplus public sector land); and optimising the proposed density of development.

The emerging Joint Spatial Plan aims to minimise development within the Bristol and Bath Green Belt. However, having examined and maximised delivery potential from the above sources, the Joint Spatial Plan process has established that it is not possible to sustainably accommodate all identified growth needs entirely outside the green belt. The emerging strategy is therefore exploring the need to amend some green Belt boundaries to contribute to meeting housing development needs in the area.

However, there would be considerable resource implications and delay in bringing forward allocations, if there is a presumption that “all” villages, settlements and brownfield land outside the greenbelt be fully investigated first, including consulting on options, undertaking sustainability appraisal etc, when local evidence clearly sets out certain locations and sites are removed from facilities and services, public transport and is covered by high level policy constraints (particularly footnote 9) and are therefore not considered a “reasonable” option, other than they are not in the Green Belt.

**b) where land is removed from the Green Belt, local policies should require compensatory improvements to the environmental quality or accessibility of remaining Green Belt land?**

Where Green Belt land is lost, the principle of compensatory improvements to the environmental quality and accessibility of remaining areas of Green Belt is supported, where possible. However, the White Paper sets out that that some areas of Green Belt are “...not the green fields we often picture, and public access can be limited, depending on ownership and rights of way”. A reasonable approach therefore would be for compensatory improvements to be proportionate to the quality of the Green Belt land lost. In addition any improvements through compensation should, where possible, be well related to locations and communities affected by loss, or if not, demonstrably in locations where the benefit significantly outweighs the loss.

**c) appropriate facilities for existing cemeteries should not to be regarded as ‘inappropriate development’ in the Green Belt?**

No response to this question.

**d) development brought forward under a Neighbourhood Development Order should not be regarded as inappropriate in the Green Belt, provided it preserves openness and does not conflict with the purposes of the Green Belt?**

No response to this question.

**e) where a local or strategic plan has demonstrated the need for Green Belt boundaries to be amended, the detailed boundary may be determined through a neighbourhood plan (or plans) for the area in question?**

This proposal is not supported. Whilst the neighbourhood plan must be prepared in general conformity in accordance with the Strategic policies of the relevant Development Plan and consistent with the NPPF defining a Green Belt Boundary would raise significant strategic issues for a NP and might be better handled by the LPA.

Concern is raised that it would lead to considerable resource input for both local communities and local authority, to determine an issue which has a relatively limited scope for meaningful change, if it is to be soundly implemented. E.g. defining the boundary of green belt would need to meet requirements of NPPF and not be so far adjusted to undermine the principle of alterations in a higher level document. Local communities would have multiple opportunities to comment and be involved in defining the boundary of green belt, through consultation as part of a Local Plan, were it not done through a Neighbourhood Plan(s).

**f) when carrying out a Green Belt review, local planning authorities should look first at using any Green Belt land which has been previously developed and/or which surrounds transport hubs?**

Support in principle. The opportunity for additional development of land around transport hubs and other previously used land should be fully considered is welcomed. However, where this would intrude into Green Belt and impact on openness, the impact of this need to be carefully weighed as part of any overall planning balancing exercise.

## **Question 11**

**Are there particular options for accommodating development that national policy should expect authorities to have explored fully before Green Belt boundaries are amended, in addition to the ones set out above?**

No response to this question.

## **Question 12**

Do you agree with the proposals to amend the National Planning Policy Framework to:

**a) indicate that local planning authorities should provide neighbourhood planning groups with a housing requirement figure, where this is sought?;**

No response to this question.

**b) make clear that local and neighbourhood plans (at the most appropriate level) and more detailed development plan documents (such as action area plans) are expected to set out clear design expectations; and that visual tools such as design codes can help provide a clear basis for making decisions on development proposals?;**

No response to this question. **c) emphasise the importance of early pre-application discussions between applicants, authorities and the local community about design and the types of homes to be provided?;**

No response to this question.

**d) makes clear that design should not be used as a valid reason to object to development where it accords with clear design expectations set out in statutory plans?; and**

No response to this question.

**e) recognise the value of using a widely accepted design standard, such as Building for Life, in shaping and assessing basic design principles – and make clear that this should be reflected in plans and given weight in the planning process?**

No response to this question.

### **Question 13**

**Do you agree with the proposals to amend national policy to make clear that plans and individual development proposals should:**

**a) make efficient use of land and avoid building homes at low densities where there is a shortage of land for meeting identified housing needs?;**

The implication that density should be influenced by a 5yr land position is not supported. Whilst it is agreed that efficient use of land should always be promoted, quality and amenity should not be forgone to meet what is possibly a short-term issue (5yr land position.) The implication as drafted is that where a 5yr land supply position has been lost developers will be incentivised to build at higher densities than otherwise would do so. Delivering quality should be the priority.

We would welcome instead the inclusion of making efficient use of land and appropriate densities as best practice to encourage the development industry to come forward with proposals that respond to the need to maximise efficient use of land. This approach fits with our current approach to the JSP where different typologies have been considered and appropriate densities for different types of strategic development locations proposed.

**b) address the particular scope for higher-density housing in urban locations that are well served by public transport, that provide opportunities to replace low-density uses in areas of high housing demand, or which offer scope to extend buildings upwards in urban areas?;**

This approach is supported. This approach fits with our current approach to the JSP which seeks first to maximise development within existing urban areas.

It is noted that there are still challenges in bringing forward sites of this nature. Typically sites in urban areas are more constrained and there is more pressure on infrastructure and other services which impacts viability.

**c) ensure that in doing so the density and form of development reflect the character, accessibility and infrastructure capacity of an area, and the nature of local housing needs?;**

This approach fits with our current approach to the JSP which seeks first to ensure density and form of development is supported by necessary infra and provision of other services. Flexibility on density to reflect local circumstances is welcomed in the context of making efficient use of space.

**d) take a flexible approach in adopting and applying policy and guidance that could inhibit these objectives in particular circumstances, such as open space provision in areas with good access to facilities nearby?;**

No response to this question.

#### **Question 14**

**In what types of location would indicative minimum density standards be helpful, and what should those standards be?**

No response to this question.

#### **Question 15**

**What are your views on the potential for delivering additional homes through more intensive use of existing public sector sites, or in urban locations more generally, and how this can best be supported through planning (using tools such as policy, local development orders, and permitted development rights)?**

Deliverability is a complex issue and some of the issues to overcome are not wholly within the gift of planning policy. The NPPF requires that plans and sites are viable and deliverable, providing competitive returns to willing landowners etc. The effectiveness of any 'tools' therefore need to be tested thoroughly, through engagement, market/development industry, feasibility/viability and ability to deliver any necessary infrastructure to support development.

#### **Question 16**

**Do you agree that:**

**a) where local planning authorities wish to agree their housing land supply for a one-year period, national policy should require those authorities to maintain a 10% buffer on their 5 year housing land supply?;**

Whilst there is an opportunity for local authorities to agree their housing land supply for one year we note there are issues in ensuring this approach can be achieved. The aim the government is seeking to achieve is understood. However, in practice this option will only apply to those LPAs who feel confident that they can demonstrate a 5 year housing land supply. Moreover, the benefits gained by fixing the land supply for 1 year may be out weighted by the costs and time it takes to confirm this.



A key issue will be the difficulty in obtaining a consensus view amongst the development industry who often have competing priorities and it is not therefore in the development industry's interest to have an agreed position annually. Should this be achieved it is felt that a 10% buffer is relatively high and for some local authorities identifying additional locations to meet this figure may provide more uncertainty for communities', and uncertainty to investors as the planned approach in terms of delivery and phasing becomes less clear.

**b) the Planning Inspectorate should consider and agree an authority's assessment of its housing supply for the purpose of this policy?**

The approach would be supported as it would be the PINS who would have to regard the authority's assessment of its housing supply as a material consideration of significant weight is any planning appeal. It would be helpful to have PINS independently consider and agree the assessment given the concerns raised regarding achieving consensus with the development industry. However, capacity for both the Authorities and PINS to undertake annual assessment and to have these formally agreed seems challenging and may become a disproportionate exercise relative to the outcome. As an alternative the option to fix land supply for up to 3 years may be more attractive, but again this needs to be balanced with the degree of challenge an LPA might expect to receive. Nonetheless, all parties working to an agreed position may greatly reduce time spent scrutinising the land supply position of an LPA at each individual planning application/appeal.

**c) if so, should the Inspectorate's consideration focus on whether the approach pursued by the authority in establishing the land supply position is robust, or should the Inspectorate make an assessment of the supply figure?**

The costs of PINS examining whether the approach is robust versus an assessment itself of supply is acknowledged as a concern. The benefit of PINS undertaking an assessment is the independent neutral position and expertise. Should PINS assess the robustness of the approach only then clear guidance/criteria/expectations on what makes a robust assessment would be required instead to avoid situations where one set of 'experts' is pitching against another. It is very likely the development industry/ other interested parties would want to strongly challenge individual site assumptions as part of any assessment of the overall process pursued by the LPA. This could significantly extend the time and expense to LPAs in engaging in this process, thereby negating any advantage gained in fixing.

**Question 17**

**In taking forward the protection for neighbourhood plans as set out in the Written Ministerial Statement of 12 December 2016 into the revised NPPF, do you agree that it should include the following amendments:**

**a) a requirement for the neighbourhood plan to meet its share of local housing need?;**

No response to this question.

**b) that it is subject to the local planning authority being able to demonstrate through the housing delivery test that, from 2020, delivery has been over 65% (25% in 2018; 45% in 2019) for**

**the wider authority area?**

No response to this question.

**c) should it remain a requirement to have site allocations in the plan or should the protection apply as long as housing supply policies will meet their share of local housing need?**

No response to this question.

#### **Question 18**

**What are your views on the merits of introducing a fee for making a planning appeal? We would welcome views on:**

- a) how the fee could be designed in such a way that it did not discourage developers, particularly smaller and medium sized firms, from bringing forward legitimate appeals;**
- b) the level of the fee and whether it could be refunded in certain circumstances, such as when an appeal is successful; and**
- c) whether there could be lower fees for less complex cases.**

No response to this question.

#### **Question 19**

**Do you agree with the proposal to amend national policy so that local planning authorities are expected to have planning policies setting out how high quality digital infrastructure will be delivered in their area, and accessible from a range of providers?**

It is not within the gift of Authorities to deliver digital infrastructure and therefore it is unclear whether it would be appropriate to include how this would be delivered in a local plan. Local Plan policy is not always adaptable to changes in technology. The focus of current local plan policy is on seeking suitable provision of high speed broadband.

It is not reasonable, appropriate, or in the spirit of other suggested changes to Local Plan, to expect a planning policy to set out how infrastructure should be accessible from a range of providers. We would suggest that this requires central government policy direction to achieve/support this.

#### **Question 20**

**Do you agree with the proposals to amend national policy so that:**

**the status of endorsed recommendations of the National Infrastructure Commission is made clear?; and**

**authorities are expected to identify the additional development opportunities which strategic infrastructure improvements offer for making additional land available for housing?**

The West of England welcomes that the recommendations of the National Infrastructure Commission will be set out clearly in National Policy. The expectation for authorities to identify

how infrastructure improvements might unlock additional land is a key principle of the joint investment planning with the HCA and other delivery agencies, and the broad approach set out in the JSP. We would welcome opportunity to discuss this further with Government.

## **Question 21**

**Do you agree that:**

**a) the planning application form should be amended to include a request for the estimated start date and build out rate for proposals for housing?**

Yes this proposal is welcomed. It should be noted however, that in order for authorities to plan effectively information on the anticipated finish date and any dependencies –infrastructure etc that would impact on timescales for delivery should be provided.

**b) that developers should be required to provide local authorities with basic information (in terms of actual and projected build out) on progress in delivering the permitted number of homes, after planning permission has been granted?**

This set of proposals will help to work on trajectories for local and joint plans and will be useful in obtaining monitoring information (potentially reducing time and costs) if it is mandatory on developers and is done in a timely way.

In terms of understanding reasons for non –delivery and the issue of build out rates not matching those (often optimistic) trajectories when planning applications are agreed, this proposal does not go far enough. In the monitoring returns on build out rates, reasons why it differs from original submitted trajectory should be set out to assist local planning authorities in understanding the key delivery issues to be addressed.

**c) the basic information (above) should be published as part of Authority Monitoring Reports?**

Yes provided that this has additional information on why the build out rates may differ.

**d) that large housebuilders should be required to provide aggregate information on build out rates?**

This would be helpful to have an overall picture on performance but does not provide much understanding at a local level on issues and could be taken out of context ie. There may be reasons for delays. Further clarification on what will happen if large housebuilders have failed to deliver against their targets is required.

## **Question 22**

**Do you agree that the realistic prospect that housing will be built on a site should be taken into account in the determination of planning applications for housing on sites where there is evidence of non-implementation of earlier permissions for housing development?**

No response

## **Question 23**

**We would welcome views on whether an applicant's track record of delivering previous, similar housing schemes should be taken into account by local authorities when determining planning applications for housing development.**

No response to this question.

#### **Question 24**

**If this proposal were taken forward, do you agree that the track record of an applicant should only be taken into account when considering proposals for large scale sites, so as not to deter new entrants to the market?**

No response to this question.

#### **Question 25**

**What are your views on whether local authorities should be encouraged to shorten the timescales for developers to implement a permission for housing development from three years to two years, except where a shorter timescale could hinder the viability or deliverability of a scheme? We would particularly welcome views on what such a change would mean for SME developers.**

Welcome this proposal as an incentive to start on site but note that it will not address the issue of build out rates and finish dates. Could consideration be given to additional incentives for meeting planned delivery dates or accelerating delivery? We note the proposal for serving a completion notice but in practice this will have limited effect.

#### **Question 26**

**Do you agree with the proposals to amend legislation to simplify and speed up the process of serving a completion notice by removing the requirement for the Secretary of State to confirm a completion notice before it can take effect?**

No response to this question.

#### **Question 27**

**What are your views on whether we should allow local authorities to serve a completion notice on a site before the commencement deadline has elapsed, but only where works have begun? What impact do you think this will have on lenders' willingness to lend to developers?**

No response to this question.

#### **Question 28**

**Do you agree that for the purposes of introducing a housing delivery test, national guidance should make clear that:**

**a) The baseline for assessing housing delivery should be a local planning authority's annual housing requirement where this is set out in an up-to-date plan?**

The provision of introducing a housing delivery test to identify whether the number of homes being built across a district is below target and to provide a mechanism for establishing the



reasons why and then to 'trigger' the corresponding policy response, is accepted in principle. However, the approach as set out in the HWP appears overly complex and bureaucratic.

There are concerns that this is an additional requirement placed on Local Authorities alongside demonstrating a five year land supply. This places the responsibility for delivery on Local Authorities when it is not wholly within the gift of an authority to close the gap between planned numbers and those that are implemented.

The baseline for assessing housing delivery should be the local authority's annual housing requirement where set out in an up to date local plan. This should be the figure set out in the adopted local plan and should take account of any phased approach to housing delivery as confirmed by that local plan. Given how frequently developers challenge local plan figures, citing new and more up to date evidence, the council supports the position of the Government as set out in the Minister's letter of 19th December 2014 with regard to the weight to be attached to the housing requirement in an adopted local plan and that other information should not automatically be seen as a proxy for a final housing requirement in Local Plans and that such information does not immediately or in itself invalidate housing numbers in existing Local Plans. b

**b) The baseline where no local plan is in place should be the published household projections until 2018/19, with the new standard methodology for assessing housing requirements providing the baseline thereafter?**

Where circumstances as set out above do not apply and the local plan is considered out of date, published household projections can provide a starting point. However, they are projections only and do not in themselves represent a fully derived housing requirement figure. As a point of principle simply using the Household Projections puts too much emphasis on applying top down target driven methods for establishing the housing requirement and fails to fully balance and take account of any other relevant factors as required by the NPPF. To do so would be contrary to the Government policy and the NPPF which seeks to balance economic, social and environmental factors simultaneously, rather than apply any one in isolation, in order to deliver the Government's objectives for sustainable development as set out at paragraphs 6 and 8 of the NPPF. Moreover, projections can have a range of built in inconsistencies given they are based on population estimates for defined periods of time. This gives good reason to question their reliability and that they provide the best evidence on which to base the housing supply position

**c) Net annual housing additions should be used to measure housing delivery?**

Yes. Support this measure.

**d) Delivery will be assessed over a rolling three year period, starting with 2014/15 – 2016/17?**

This proposal is not supported. Local authorities already monitor and publish their housing delivery data through their AMRs. This information is available to all parties to securitise and review. Furthermore, Local authorities' track record of housing delivery is already recognised as a material consideration of some weight in planning appeals. Introducing a rolling 3 year review

period appears to conflate with the current 5 year housing land supply calculation and the accepted basis by which housing delivery is assessed.

Moreover, a 3 year review period, despite being rolling, can only effectively look at short term factors. Three years may not be long enough period to even out any volatile market fluctuations and to take account of site delivery and phasing. This considerably weakens its value.

Should the Government be minded to introduce this policy change, there will need to be a recognised transition period where there is a new local plan which has substantially higher figures than a previous one. As by default this will mean the previous rolling 3 year supply will show an under delivery and authorities planning for growth will be penalised.

## **Question 29**

**Do you agree that the consequences for under-delivery should be:**

**a) From November 2017, an expectation that local planning authorities prepare an action plan where delivery falls below 95% of the authority's annual housing requirement?;**

The approach as set out in the HWP appears overly complex. The housing delivery test spans a wide range of thresholds. Moreover, it effectively adds another test to the 5 year HLS calculation and it is unclear how these two tests would interact with each other.

Much time and resources are currently taken up at planning appeals and examinations considering the numbers to be used and method of calculating housing land supply. The introduction of the Delivery Test as proposed in the HWP would appear to do little to reduce or simplify this. In all probability it will actually increase the likelihood of further extending the dispute and arguments over how the numbers should be calculated and applied, especially as it now appears we might have 2 routes to para 14 being invoked through both a three year and a 5 year test. This will result in added complexity.

If the test were introduced publishing an action plan would be a positive step forward to help to identify issues to address. However, Local Authorities should be supported with further powers and resources to ensure delivery following an analysis of the causes of under delivery.

National guidance will need to provide clear guidance on the preparation of the action plan including guidance on whether the action plan is required to be prepared annually if delivery continues to fall below a certain level.

**b) From November 2017, a 20% buffer on top of the requirement to maintain a five year housing land supply where delivery falls below 85%?;**

Noted that Govt intention is to phase the introduction of the housing delivery test to give Local Authorities time to address under delivery. But this is not a sufficient enough transition period to be able to address issues if it is to be implemented from November 2017. Where there is a new local plan which has substantially higher figures than a previous one this will mean the previous rolling 3 year supply will show an under delivery and authorities planning for growth will be penalised.

A 20% buffer is disproportionate and would have significant impact on communities with the need to potentially identify additional locations for development. Where rates have been depressed by market conditions, identifying further land will not necessarily deliver homes at a faster rate.

**c) From November 2018, application of the presumption in favour of sustainable development where delivery falls below 25%?;**

No response to this question

**d) From November 2019, application of the presumption in favour of sustainable development where delivery falls below 45%?; and**

No response to this question

**e) From November 2020, application of the presumption in favour of sustainable development where delivery falls below 65%?**

No response to this question

**Question 30**

**What support would be most helpful to local planning authorities in increasing housing delivery in their areas?**

PAS have provided helpful tailored support but funding has been significantly reduced. We would welcome further support to PAS.

There needs to be recognition that the scale of the challenge cannot be met within the existing planning system alone, a suite of measures will be required in order to achieve a significant increase in housing delivery.

Public interventions will be required

- in the West of England some of these are being developed as part of the devolution deal and could include:

- Housing Infrastructure Fund – to unlock and/or accelerate the delivery of affordable homes, focused on key developments that require specific interventions to make them deliverable
- Affordability definition and policy expectations - the definition of what is affordable needs to reflect the income of those that live in an area.
- Joint Assets Board
- Exploring the options for joint working to achieve economies of scale
- Potential for modular construction,
- Exploring the possibility of a development land charge model.
- Powers for LPAs to acquire land at lower land values
- Explore options to increase direct Council delivery of new homes (HRA and Local Housing Company):

**Question 31a) do you agree with our proposals to amend national policy to revise the definition of affordable housing as set out in Box 4?**

Suggested response: Yes in principle this is supported as it brings welcome clarity. However, if the definition of affordable housing is widened, the number in need of affordable housing will increase.

The proposal has the potential to increase the opportunities for households who would not be deemed eligible for AH (as currently defined) but are unable to access the housing market. It is noted that Local policy would need to differentiate between those in housing need (i.e. unable to afford open market housing without benefits support) and those who meet wider criteria in relation to the additional home ownership products, supported by SHMA evidence.

The specific proposed definition of starter homes, i.e. that they '*should reflect the meaning set out in statute at the time of plan-preparation or decision-taking*' introduces some uncertainty.

The proposal to introduce a 15 year repayment period for starter homes is also welcomed, however there is a lack of detail, for example:

- para 4.15 states '*some or all of the discount is repaid*' - will this be determined locally?
- it is not clear who would have responsibility for ensuring that the discount is clawed back if property sold within the 15 year period – LAs?
- Who is the clawback paid to and how is the subsidy recycled?
- What about resales – are restrictions removed?

The proposed definition of discounted market sales housing is supported, assuming that the discount genuinely reflects local incomes and house prices (as per the definition). It can be difficult to get a mortgage for this product, although the number of lenders is increasing. There needs to be binding arrangements to secure the discount on resale.

**31b) do you agree with our proposal to introduce an income cap for starter homes?**

We welcome in principle an income cap for starter homes, however the cap is set too high at £80,000 and does not reflect local incomes (for example the median income in SG is £29,752) or cost of market rents. Paras 4.16 and A.124 state that the Government wants LAs to deliver starter homes as part of a mixed package of affordable housing of all tenures '*that can respond to local needs and local markets*'. The cap should be locally set at a level that reflects and is consistent with the affordability threshold used in the SHMA (35% of gross income).

**31c) do you agree with our proposal to incorporate a definition of affordable private rent housing?**

In principle the proposal does make sense, should be set out in the revised NPPF and should be limited to Build to Rent schemes only (see Qs 8-12 of the Build to Rent consultation).



LA nominations will need to be secured and delivered via Choice-based Lettings systems. There are some potential concerns about tenancy management issues from RP partners.

However, we do not consider the new name of “affordable private rented homes” to be appropriate as it can be confused with “affordable rent” and suggests the name that has been adopted by the PRS new build industry of “discounted market rent”.

PRS providers have expressed their willingness to include ‘discounted market rent’ as the affordable housing contribution. They consider that this definition accurately describes how the product allows flexibility in the rents (including service charge) being set at different levels from 50% to 80% of open market rent up to the ceiling set by Local Housing Allowance limits for different property types.

**31d) do you agree with our proposal to allow for a transitional period that aligns with other proposals in the White Paper (April 2018)?**

Yes, agree with the proposal to allow for a transitional period that aligns with other proposals in the White Paper (April 2018), although need to assess whether the timescale is adequate.

**Q32a) do you agree that national planning policy should expect LPAs to seek a minimum of 10% of all homes on individual sites for affordable home ownership products?**

The proposal to revise the H&P Act requirement to deliver 20% starter homes and provide a locally-focused 10% low-cost-home-ownership offer instead, as part of a range of tenures including subsidised rent, is a better outcome than the previous proposals.

However, as a matter of principle any percentage requirement for affordable home ownership products should be set by the local planning authority.

The NPPF expects local planning authorities to have a clear understanding of the housing needs of their area through the preparation of a Strategic Housing Market assessment (SHMA). This provides the evidence for Local Plans to meet the full objectively assessed needs for affordable housing within the housing market area through the setting of appropriate policies.

To meet NPPF expectations local planning authorities will need to retain discretion for setting the proportion of starter homes, discounted market sale and other forms of low cost home ownership products within their area. This proportion will have to be based on local housing need (and demand), as evidenced through the authority’s SHMA, and, local viability testing.

A national minimum requirement for affordable home ownership products may conflict with this local evidence and risks undermining existing national policy. In addition, as the need for such products (as evidenced through SHMA’s) and the viability of developments that provide them will vary across the country the proportion of starter homes required through development should not be set at the national level.

The proposed national approach could reduce our ability to secure the types of affordable housing required to meet the areas identified housing needs, in particular social rent and other affordable homes to rent. Scheme viability is a key issue for many residential developments coming forward across the West of England. High land values, particularly in central Bristol and Bath areas are a significant factor in viability considerations reducing the capacity of development to deliver appropriate planning obligations. This has been reflected in the lower level of affordable housing delivered through private development in recent years. In the last 3 years under 40% of housing schemes with planning permission in Bristol have achieved policy compliance (i.e. have met the affordable housing policy targets).

The introduction of a 10% requirement for affordable home ownership products will further reduce the capacity of schemes to meet existing affordable housing policy requirements. Seeking social rent affordable housing and other affordable homes for rent on top of the proposed 10% requirement will threaten scheme viability in most cases.

As drafted, the implication is that where the full AH requirement is unviable, the 10% LCHO element would take priority over social and affordable rented products. The majority of need is for rented AH and any reduction will adversely impact on use of temporary accommodation and LA homelessness budgets. The impact would be relatively small if 100% of the AH requirement is viable, however where AH is unviable, the impact is greater, and this would affect the majority of brownfield sites. It is suggested that the 10% LCHO requirement is reduced pro rata on any unviable schemes.

**Q32b) do you agree that this policy should apply to developments of over 10 units or 0.5 ha?**

Agree that the policy should only apply to developments of over 10 units in non-rural areas, however the size threshold of 0.5ha is too large. A site of 0.5 ha equates to a density of 20 units per ha which would not be an efficient use of land. There should be a lower threshold in rural areas (5 units/0.2 ha).

**Q33) should any particular types of residential development be excluded from this policy?**

Yes, we agree that the following types of residential development should be excluded from the requirement to provide 10% LCHO products:

- build to rent schemes (purpose-built for market and affordable rent)
- supported housing
- custom-build - there are practical difficulties in securing on-site provision of AH – propose an off-site financial contribution where scheme viability allows.
- rural exception sites - should be a matter of local discretion to meet evidenced need for specific tenure types

**Question 34**

**Do you agree with the proposals to amend national policy to make clear that the reference to the three dimensions of sustainable development, together with the core planning principles**

**and policies at paragraphs 18-219 of the National Planning Policy Framework, together constitute the Government's view of what sustainable development means for the planning system in England?**

Would welcome further clarification. Without detail on what the proposed amendments are it is difficult to understand whether these changes will provide helpful clarity or not.

#### **Question 35**

**Do you agree with the proposals to amend national policy to:**

**a) Amend the list of climate change factors to be considered during plan-making, to include reference to rising temperatures?**

Clarification is sought on the process of appropriate assessment for temperature change as a consequence of climate change

**b) Make clear that local planning policies should support measures for the future resilience of communities and infrastructure to climate change?**

Would welcome further clarification. Without detail on what the proposed amendments are it is difficult to understand whether these changes will provide helpful clarity or not.

#### **Question 36**

**Do you agree with these proposals to clarify flood risk policy in the National Planning Policy Framework?**

Would welcome further clarification. Without detail on what the proposed amendments are it is difficult to understand whether these changes will provide helpful clarity or not

#### **Question 37**

**Do you agree with the proposal to amend national policy to emphasise that planning policies and decisions should take account of existing businesses when locating new development nearby and, where necessary, to mitigate the impact of noise and other potential nuisances arising from existing development?**

No response to this question

#### **Question 38**

**Do you agree that in incorporating the Written Ministerial Statement on wind energy development into paragraph 98 of the National Planning Policy Framework, no transition period should be included?**

No response to this question

## PLANNING, HOUSING AND ECONOMIC DEVELOPMENT POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

*Should you wish to make representations, please contact the report author or Mark Durnford, Democratic Services (01225 394458). A formal agenda will be issued 5 clear working days before the meeting.*

*Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, Keynsham and Midsomer Norton public libraries.*





Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
<b>4TH JULY 2017</b>				
4 Jul 2017	PHED PDS	Housing & Planning Act	Lisa Bartlett Tel: 01225 477281	Strategic Director - Place
4 Jul 2017	PHED PDS	Article 4 Policy	John Wilkinson Tel: 01225 396593	Strategic Director - Place
4 Jul 2017	PHED PDS	HMO Supplementary Planning Document	Simon De Beer, Kaoru Jacques Tel: 01225 477616, Tel: 01225 477288	Strategic Director - Place
<b>5TH SEPT 2017</b>				
<b>7TH NOV 2017</b>				
<b>ITEMS YET TO BE SCHEDULED</b>				
	PHED PDS	Royal National Hospital for Rheumatic Diseases	John Wilkinson Tel: 01225 396593	Strategic Director - Place
	PHED PDS	Future of Retailing in District Centres		Strategic Director - Place
	PHED PDS	Mulberry Park Development Update		Strategic Director - Place

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
	PHED PDS	South West Housing Providers Longitudinal Welfare Reform Study	Graham Sabourn Tel: 01225 477949	Strategic Director - Place
	PHED PDS	Review of KPIs - Housing Performance Reports	Graham Sabourn Tel: 01225 477949	Strategic Director - Place
The Forward Plan is administered by <b>DEMOCRATIC SERVICES</b> : Mark Durnford 01225 394458 Democratic_Services@bathnes.gov.uk				